

## Tab 2

### **V.    Old Business**

- a.** Approval of bond issuance for St. Andrews Residences and St. James Residences – Related Affordable
  - i. Resolution's R-2021-08 and R-2021-09 w/o exhibits
  - ii. Credit underwriting reports
- b.** Delray Beach Housing Authority loan modification
  - i. Resolution R-2021-10 w/o exhibits

### **RESOLUTION NO. R-2021-08**

**A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$27,000,000 HOUSING FINANCE AUTHORITY OF PALM**

**BEACH COUNTY, FLORIDA, MULTIFAMILY HOUSING REVENUE BONDS (SUSTAINABLE PASS-THROUGH - ST. ANDREWS RESIDENCES), SERIES 2021 (THE “BONDS”) AND PROVIDING FOR CERTAIN DETAILS THEREOF; DETERMINING THE NEED FOR A NEGOTIATED SALE OF THE BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT WITH RESPECT TO THE PURCHASE AND SALE OF THE BONDS; APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING ITS DISTRIBUTION IN CONNECTION WITH THE SALE OF THE BONDS AND AUTHORIZING THE EXECUTION AND DISTRIBUTION OF AN OFFICIAL STATEMENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST WITH U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINANCING AGREEMENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LAND USE RESTRICTION AGREEMENT; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FEE GUARANTY AND ENVIRONMENTAL INDEMNITY AGREEMENT; APPOINTING THE TRUSTEE, REGISTRAR AND PAYING AGENT FOR THE BONDS; ACCEPTING THE CREDIT UNDERWRITING REPORT; AUTHORIZING THE PROPER OFFICERS TO DO ALL THINGS NECESSARY OR ADVISABLE; AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION.**

**WHEREAS**, the Board of County Commissioners of Palm Beach County, Florida (the “Board”), has heretofore enacted an ordinance, as amended, creating the Housing Finance Authority of Palm Beach County, Florida (the “Authority”), pursuant to the provisions of Part IV of Chapter 159, Florida Statutes, as amended and supplemented (the “Act”); and

**WHEREAS**, the Board has heretofore adopted a resolution declaring a need for the Authority to function in order to alleviate the shortage of housing and capital for investment in housing within Palm Beach County, Florida (the “County”); and

, the Authority, pursuant to the Act, may issue its Multifamily Housing Revenue Bonds (Sustainable Pass-Through - St. Andrews Residences), Series 2021 in the aggregate principal amount of not exceeding TWENTY-SIX MILLION DOLLARS

**WHEREAS**

(\$27,000,000) (the “Bonds”); and

**WHEREAS**, the Authority shall enter into that certain Indenture of Trust expected to be dated as of August 1, 2021, with the herein defined Trustee (the “Indenture”) for the purpose of setting forth the terms, conditions, and covenants that are necessary to secure the Bonds and protect the rights of the registered owners of the Bonds and the Authority deems it advisable to enter into the Indenture with respect to the Bonds, in substantially the form attached hereto as Exhibit “A”; and

**WHEREAS**, the proceeds derived from the sale of the Bonds, together with other available money of the Borrower (as defined below), will be used to finance the acquisition, rehabilitation and equipping of a 177-unit multifamily senior housing development located in the City of West Palm Beach in Palm Beach County, Florida (the “Project”); and

**WHEREAS**, SA Residences Preservation, L.P., a Florida limited partnership (herein, the “Borrower”) has requested that the Authority issue the Bonds and, together with other moneys of the Borrower, finance the Project; and

**WHEREAS**, pursuant to the terms and provisions of that certain Financing Agreement expected to be dated as of August 1, 2021, by and among the Authority, the Trustee, Wells Fargo Bank, National Association, as lender (the “Lender”), and the Borrower (the “Financing Agreement”) substantially in the form attached hereto as Exhibit “B,” the Authority has agreed to use the proceeds of the Bonds to assist in financing the Project; and

**WHEREAS**

, the Authority, the Borrower and the Trustee shall enter into that certain Land Use Restriction Agreement, expected to be dated as of August 1, 2021 to evidence certain restrictions placed on the use and occupancy of the Project as required under the Act and the Internal Revenue Code of 1986, as amended (the “LURA”) substantially in the form attached hereto as Exhibit “C”; and

**WHEREAS**, the Lender has agreed to make a mortgage loan to the Borrower equal to the original principal amount of the Bonds (the “Mortgage Loan”) in the principal amount of Bonds. Upon satisfaction of certain conditions set forth in the Indenture, the Trustee will apply the proceeds of the Mortgage Loan to acquire a Guaranteed Mortgage Pass-Through Certificate backed by the Mortgage Loan and issued by Fannie Mae; and

**WHEREAS**, based upon the current market conditions, the complex nature of the financing and other factors, the Authority finds it is necessary and advisable to negotiate the sale of the Bonds pursuant to the terms and provisions of a Bond Purchase Agreement, substantially in the form attached hereto as Exhibit “D”; and

**WHEREAS**, in order to provide for the sale of the Bonds, the Authority wishes to approve the form of a Preliminary Official Statement substantially in the form attached hereto as Exhibit “E” and to authorize the distribution thereof in connection with the sale of the Bonds; and

**WHEREAS**, the Authority hereby authorizes the execution of such other documents deemed necessary and to be in acceptable form as determined by its Bond Counsel and counsel to the Authority; and

, prior to the execution and delivery of the Bond Purchase Agreement, the Authority will be provided with the disclosure statements required by Section 218.385, Florida

**WHEREAS**

Statutes by RBC Capital Markets, LLC, as underwriter (the “Underwriter”).

**NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE  
AUTHORITY OF PALM BEACH COUNTY, FLORIDA:**

**SECTION 1: Definitions.** That in addition to the terms herein defined in the above recitals, the words and terms referred to in Article I of the Indenture, unless a different meaning clearly appears from the context, shall have the same meanings in this resolution as in the Indenture.

**SECTION 2: Authorization of the Bonds.** That, for the purpose of providing funds to the Borrower in accordance with the terms of the Financing Agreement, there are hereby authorized to be issued by the Authority, its Multifamily Housing Revenue Bonds (Sustainable Pass-Through - St. Andrews Residences), Series 2021, in the aggregate principal amount of not exceeding TWENTY-SIX MILLION DOLLARS (\$27,000,000) (the “Bonds”).

**SECTION 3: Security for the Bonds.** That the Bonds will be limited obligations of the Authority. The principal of, premium, if any, and interest on, the Bonds will be payable solely from the Trust Estate (as such term is defined in the Indenture). Neither the members of the Authority nor any person executing any of the Bonds shall be liable personally on any of the Bonds by reason of the issuance thereof. The Bonds will not be a debt of the County, the City, the State of Florida (the “State”) or any other political subdivision thereof, and neither the faith and credit nor the taxing power of the County, the City, the State or any other political subdivision thereof will be pledged to the payment of the principal of, or premium, if any, or interest on any of the Bonds. The Authority has no taxing power.

**SECTION 4: Approval and Execution of the Indenture of Trust.** That the form of the Indenture of Trust relating to the Bonds (the “Indenture”) presented at this meeting (and attached hereto as Exhibit “A”) expected to be dated as of August 1, 2021, by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”) is hereby approved and adopted by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairperson (or, in the absence of the Chairperson, the Vice Chairperson or any other member of the Authority in the absence of the Vice Chairperson) is hereby authorized to execute and deliver on behalf of the Authority, and the Secretary (or, in the absence of the Secretary, any Assistant Secretary) of the Authority is authorized to affix the Seal of the Authority and attest to the execution of the Indenture in the form presented to this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Authority.

**SECTION 5: Approval and Execution of the Financing Agreement.** That the form of the Financing Agreement, expected to be dated as of August 1, 2021, by and among the Authority, the Trustee, the Lender and the Borrower, in substantially the form presented at this meeting (and attached hereto as Exhibit “B”) is hereby approved and authorized by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairperson (or, in the Chairperson’s absence, the Vice Chairperson or any other member of the Authority in the absence of the Vice Chairperson) is hereby authorized to execute and deliver on

**WHEREAS**

behalf of the Authority, and the Secretary (or, in the absence of the Secretary, any Assistant Secretary) of the Authority is hereby authorized to affix the Seal of the

Authority and attest to the execution of the Financing Agreement in the form presented to this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof of the Authority.

**SECTION 6: Negotiated Sale of Bonds Authorized.** That, based on current market conditions, and the complex nature of the financing, the Authority hereby finds that it is necessary and in the best interest of the Authority that the Bonds be sold on a negotiated basis to the Underwriter.

**SECTION 7: Approval and Execution of the Land Use Restriction Agreement.** That the form of the Land Use Restriction Agreement relating to the Project (the “LURA”) in substantially the form presented at this meeting (and attached hereto as Exhibit “C”), expected to be dated as of August 1, 2021, by and among the Authority, the Trustee and the Borrower, is hereby approved and adopted by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairperson (or, in the absence of the Chairperson, the Vice Chairperson or any other member of the Authority in the absence of the Vice Chairperson) is hereby authorized to execute and deliver on behalf of the Authority, and the Secretary (or, in the absence of the Secretary, any Assistant Secretary) of the Authority is hereby authorized to affix the Seal of the Authority and attest to the execution of the LURA in the form presented to this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Authority.



**SECTION 8: Bond Purchase Contract.** That the Authority hereby agrees to sell the Bonds, pursuant to the terms and provisions of that certain Bond Purchase Agreement by and among the Authority, the Underwriter and the Borrower, substantially in the form attached hereto as Exhibit “D.” The Bond Purchase Agreement is hereby approved and authorized by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairperson (or, in the absence of the Chairperson, the Vice Chairperson or any other member of the Authority in the absence of the Vice Chairperson) is hereby authorized to execute and deliver on behalf of the Authority, and, if so required, the Secretary (or, in the absence of the Secretary, any Assistant Secretary) of the Authority is hereby authorized to affix the Seal of the Authority and attest to the execution of the Bond Purchase Agreement in the form presented to this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Authority.

**SECTION 9: Details of the Bonds.** That the proceeds of the Bonds, together with the moneys received by the Trustee from the Borrower, shall be applied, the Bonds shall mature in the years and in the amounts, bear interest at such rate or rates, and be subject to redemption, all as provided in the Indenture. The execution of the Bond Purchase Agreement and the Indenture shall constitute approval of such terms as set forth in this Section 9.

**SECTION 10: Appointment of Trustee, Registrar, and Paying Agent.** That U.S. Bank National Association, having its designated corporate trust office in Fort Lauderdale, Florida, is hereby appointed Trustee, Registrar and Paying Agent under the Indenture.

**SECTION 11: Approval of and Authorization of Use and Distribution of Preliminary**

**Official Statement and Official Statement.** That the form of the Preliminary Official Statement (the “Preliminary Official Statement”) relating to the Bonds in substantially the form presented at this meeting (and attached hereto as Exhibit “E”) is hereby approved and the use and distribution of which is hereby authorized by the Authority, together with such changes, modification and deletions as may be deemed necessary and appropriate. The Chairperson, Vice Chairperson or the Executive Director is hereby authorized to deem the Preliminary Official Statement final as of its date. The Chairperson (or, in the absence of the Chairperson, the Vice Chairperson or any other member of the Authority in the absence of the Vice Chairperson) is hereby authorized to execute the final Official Statement (the “Official Statement”) in substantially the form of the Preliminary Official Statement, with such changes, insertions and omissions necessary to reflect the terms of the sale of the Bonds as provided in the Bond Purchase Agreement, with the advice of Bond Counsel and counsel to the Authority, and the distribution of the Official Statement in such form is hereby authorized.

**SECTION 12: Approval and Execution of Fee Guaranty and Environment**

**Indemnity Agreement.** That the form of the Fee Guaranty and Environmental Indemnity Agreement relating to the Bonds (the “Indemnity Agreement”) in substantially the form presented at this meeting (and attached hereto as Exhibit “F”), expected to be dated as of August 1, 2021, by and among the Authority, the Trustee, the Borrower and the other indemnitors named therein, is hereby approved and adopted by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairperson (or, in the absence of the Chairperson, the Vice Chairperson or any other member of the Authority in the absence of the

Vice Chairperson) is hereby authorized to execute and deliver on behalf of the Authority, and the Secretary (or, in the absence of the Secretary, any Assistant Secretary) of the Authority is hereby authorized to affix the Seal of the Authority and attest to the execution of the Indemnity Agreement in the form presented to this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Authority.

**SECTION 13: Credit Underwriting Report.** The Credit Underwriting Report with respect to the Project delivered to the Authority by Seltzer Management Group, Inc., is hereby accepted and filed with the Authority, with the condition that any open or unresolved issues therein stated constituting closing conditions must be satisfied prior to the closing of the Bonds to the Authority's satisfaction, which satisfaction will be evidenced by the execution and delivery of the Indenture by the Authority. The Credit Underwriting Report is attached hereto as Exhibit "G."

**SECTION 14: Agreement of Authority.** That all covenants, stipulations, obligations and agreements contained in this resolution and contained in the Indenture, the Financing Agreement or other agreements to which the Authority is a party and which have been hereby approved by the Authority, shall be deemed to be the covenants, stipulations, obligations and agreements of the Authority and all such covenants, stipulations, obligations and agreements shall be binding upon the Authority.

**SECTION 15: No Other Rights Conferred.** That, except as herein otherwise expressly provided, nothing in this resolution or in the Indenture, expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation other than the Authority, the

registered owners of the Bonds issued under the provisions of this resolution and the Indenture, and the Trustee, any right, remedy or claim, legal or equitable, under and by reason of this resolution or any provision thereof or the Indenture or any provision thereof; this resolution, the Indenture and all of its provisions being intended to be and being for the sole and exclusive benefit of the Authority, the registered owners of the Bonds issued under the provisions of this resolution and the Indenture and the Trustee.

**SECTION 16: Severability.** That, in case any one or more of the provisions of this resolution, or of the Indenture, the Financing Agreement, the LURA, the Indemnity Agreement, or of any of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any of the other provisions of this resolution or of the Indenture, the Financing Agreement, the LURA, the Indemnity Agreement or of said Bonds, but this resolution, the Indenture, the Financing Agreement, the LURA, the Indemnity Agreement and said Bonds shall be construed and enforced as if such illegal or invalid provision or provisions had not been contained therein.

**SECTION 17: Ancillary Documents.** That any ancillary documents relating to the Bonds or the security thereof (herein, the “Ancillary Documents”) in the forms that are approved by the Executive Director, counsel to the Authority and Bond Counsel are hereby authorized and the Chairperson or, in the absence of the Chairperson, the Vice Chairperson or any other member of the Authority in the absence of a Vice Chairperson, is hereby authorized to execute and deliver such Ancillary Documents for which the Authority is a party on behalf of the Authority and the Secretary (or, in the absence of the Secretary, any Assistant Secretary) of the Authority is hereby authorized to affix the seal of the Authority (if required) and attest (if required) to the execution of any Ancillary Documents in the forms approved by the Executive Director, counsel to the

Authority and Bond Counsel, together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof of the Authority.

**SECTION 18: Further Actions.** That the Chairperson, the Vice Chairperson, the Secretary of the Authority and the other members of the Authority, the Executive Director of the Authority, the Authority's counsel, Bond Counsel, or other agents of the Authority and the officers, agents and employees of the Trustee are hereby authorized and directed to do all acts and things required of them by the provisions of the Bonds, the Indenture, and the other documents herein approved and also to do all acts and things required of them by the provisions of this resolution, including, but not limited to, the execution of such other documents that may be required for the better securing of the Bonds or as a condition precedent for the issuance of the Bonds. The Trustee is hereby authorized and directed to authenticate the Bonds and deliver them to the initial Bondholders in accordance with the Indenture and this resolution.

**SECTION 19: Headings Not Part of this Resolution.** That any headings preceding the texts of the several sections of this resolution shall be solely for convenience of reference and shall not form a part of this resolution, nor shall they affect its meaning, construction or effect.

**SECTION 20: Resolution Effective.** That this resolution shall take effect immediately upon its adoption.

**ADOPTED** this 23<sup>rd</sup> day of July, 2021.

(SEAL)

**HOUSING FINANCE AUTHORITY OF  
PALM BEACH COUNTY, FLORIDA**

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Secretary/Assistant Secretary

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chairperson/Vice Chairperson

APPROVED AS TO FORM AND LEGAL  
SUFFICIENCY

By: \_\_\_\_\_  
Name: Morris "Skip" Miller, Esq.  
Title: Attorney

## **EXHIBITS TO RESOLUTION**

Exhibit A	--	Trust Indenture
Exhibit B	--	Financing Agreement
Exhibit C	--	Land Use Restriction Agreement
Exhibit D	--	Bond Purchase Agreement
Exhibit E	--	Preliminary Official Statement
Exhibit F	--	Fee Guaranty and Environmental Indemnity Agreement
Exhibit G	--	Credit Underwriting Report

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**RESOLUTION NO. R-2021-09**

**A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$36,000,000 HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, MULTIFAMILY HOUSING REVENUE BONDS (SUSTAINABLE PASS-THROUGH - ST. JAMES RESIDENCES), SERIES 2021 (THE “BONDS”) AND PROVIDING FOR CERTAIN DETAILS THEREOF; DETERMINING THE NEED FOR A NEGOTIATED SALE OF THE BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT WITH RESPECT TO THE PURCHASE AND SALE OF THE BONDS; APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING ITS DISTRIBUTION IN CONNECTION WITH THE SALE OF THE BONDS AND AUTHORIZING THE EXECUTION AND DISTRIBUTION OF AN OFFICIAL STATEMENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST WITH U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINANCING AGREEMENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LAND USE RESTRICTION AGREEMENT; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FEE GUARANTY AND ENVIRONMENTAL INDEMNITY AGREEMENT; APPOINTING THE TRUSTEE, REGISTRAR AND PAYING AGENT FOR THE BONDS; ACCEPTING THE CREDIT UNDERWRITING REPORT; AUTHORIZING THE PROPER OFFICERS TO DO ALL THINGS NECESSARY OR ADVISABLE; AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION.**

**WHEREAS**, the Board of County Commissioners of Palm Beach County, Florida (the “Board”), has heretofore enacted an ordinance, as amended, creating the Housing Finance Authority of Palm Beach County, Florida (the “Authority”), pursuant to the provisions of Part IV of Chapter 159, Florida Statutes, as amended and supplemented (the “Act”); and



**WHEREAS**

**WHEREAS**, the Board has heretofore adopted a resolution declaring a need for the Authority to function in order to alleviate the shortage of housing and capital for investment in housing within Palm Beach County, Florida (the “County”); and

, the Authority, pursuant to the Act, may issue its Multifamily Housing Revenue Bonds (Sustainable Pass-Through - St. James Residences), Series 2021 in the aggregate principal amount of not exceeding THIRTY-FIVE MILLION DOLLARS (\$36,000,000) (the “Bonds”); and

**WHEREAS**, the Authority shall enter into that certain Indenture of Trust expected to be dated as of August 1, 2021, with the herein defined Trustee (the “Indenture”) for the purpose of setting forth the terms, conditions, and covenants that are necessary to secure the Bonds and protect the rights of the registered owners of the Bonds and the Authority deems it advisable to enter into the Indenture with respect to the Bonds, in substantially the form attached hereto as Exhibit “A”; and

**WHEREAS**, the proceeds derived from the sale of the Bonds, together with other available money of the Borrower (as defined below), will be used to finance the acquisition, rehabilitation and equipping of a 148-unit multifamily senior housing development located in the City of West Palm Beach in Palm Beach County, Florida (the “Project”); and

**WHEREAS**, SJ Residences Preservation, L.P., a Florida limited partnership (herein, the “Borrower”) has requested that the Authority issue the Bonds and, together with other moneys of the Borrower, finance the Project; and

**WHEREAS**

**WHEREAS**, pursuant to the terms and provisions of that certain Financing Agreement expected to be dated as of August 1, 2021, by and among the Authority, the Trustee, Wells Fargo Bank, National Association, as lender (the “Lender”), and the Borrower (the “Financing Agreement”) substantially in the form attached hereto as Exhibit “B,” the Authority has agreed to use the proceeds of the Bonds to assist in financing the Project; and

, the Authority, the Borrower and the Trustee shall enter into that certain Land Use Restriction Agreement, expected to be dated as of August 1, 2021 to evidence certain restrictions placed on the use and occupancy of the Project as required under the Act and the Internal Revenue Code of 1986, as amended (the “LURA”) substantially in the form attached hereto as Exhibit “C”; and

**WHEREAS**, the Lender has agreed to make a mortgage loan to the Borrower equal to the original principal amount of the Bonds (the “Mortgage Loan”) in the principal amount of Bonds. Upon satisfaction of certain conditions set forth in the Indenture, the Trustee will apply the proceeds of the Mortgage Loan to acquire a Guaranteed Mortgage Pass-Through Certificate backed by the Mortgage Loan and issued by Fannie Mae; and

**WHEREAS**, based upon the current market conditions, the complex nature of the financing and other factors, the Authority finds it is necessary and advisable to negotiate the sale of the Bonds pursuant to the terms and provisions of a Bond Purchase Agreement, substantially in the form attached hereto as Exhibit “D”; and

**WHEREAS**, in order to provide for the sale of the Bonds, the Authority wishes to approve the form of a Preliminary Official Statement substantially in the form attached hereto as Exhibit “E” and to authorize the distribution thereof in connection with the sale of the Bonds; and

**WHEREAS**

**WHEREAS**, the Authority hereby authorizes the execution of such other documents deemed necessary and to be in acceptable form as determined by its Bond Counsel and counsel to the Authority; and

, prior to the execution and delivery of the Bond Purchase Agreement, the Authority will be provided with the disclosure statements required by Section 218.385, Florida Statutes by RBC Capital Markets, LLC, as underwriter (the “Underwriter”),.

**NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE  
AUTHORITY OF PALM BEACH COUNTY, FLORIDA:**

**SECTION 1: Definitions.** That in addition to the terms herein defined in the above recitals, the words and terms referred to in Article I of the Indenture, unless a different meaning clearly appears from the context, shall have the same meanings in this resolution as in the Indenture.

**SECTION 2: Authorization of the Bonds.** That, for the purpose of providing funds to the Borrower in accordance with the terms of the Financing Agreement, there are hereby authorized to be issued by the Authority, its Multifamily Housing Revenue Bonds (Sustainable Pass-Through - St. James Residences), Series 2021, in the aggregate principal amount of not exceeding THIRTY-FIVE MILLION DOLLARS (\$36,000,000) (the “Bonds”).

**SECTION 3: Security for the Bonds.** That the Bonds will be limited obligations of the Authority. The principal of, premium, if any, and interest on, the Bonds will be payable solely from the Trust Estate (as such term is defined in the Indenture). Neither the members of the Authority nor any person executing any of the Bonds shall be liable personally on any of the Bonds by reason of the issuance thereof. The Bonds will not be a debt of the County, the City, the State

**WHEREAS**

of Florida (the “State”) or any other political subdivision thereof, and neither the faith and credit nor the taxing power of the County, the City, the State or any other political subdivision thereof will be pledged to the payment of the principal of, or premium, if any, or interest on any of the Bonds. The Authority has no taxing power.

**SECTION 4: Approval and Execution of the Indenture of Trust.** That the form of the Indenture of Trust relating to the Bonds (the “Indenture”) presented at this meeting (and attached hereto as Exhibit “A”) expected to be dated as of August 1, 2021, by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”) is hereby approved and adopted by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairperson (or, in the absence of the Chairperson, the Vice Chairperson or any other member of the Authority in the absence of the Vice Chairperson) is hereby authorized to execute and deliver on behalf of the Authority, and the Secretary (or, in the absence of the Secretary, any Assistant Secretary) of the Authority is authorized to affix the Seal of the Authority and attest to the execution of the Indenture in the form presented to this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Authority.

**SECTION 5: Approval and Execution of the Financing Agreement.** That the form of the Financing Agreement, expected to be dated as of August 1, 2021, by and among the Authority, the Trustee, the Lender and the Borrower, in substantially the form presented at this meeting (and attached hereto as Exhibit “B”) is hereby approved and authorized by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairperson (or, in the Chairperson’s absence, the Vice Chairperson or any other member of the Authority in the absence of the Vice Chairperson) is hereby authorized to execute and deliver on behalf of the Authority, and the Secretary (or, in the absence of the Secretary, any Assistant

Secretary) of the Authority is hereby authorized to affix the Seal of the Authority and attest to the execution of the Financing Agreement in the form presented to this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof of the Authority.

**SECTION 6: Negotiated Sale of Bonds Authorized.** That, based on current market conditions, and the complex nature of the financing, the Authority hereby finds that it is necessary and in the best interest of the Authority that the Bonds be sold on a negotiated basis to the Underwriter.

**SECTION 7: Approval and Execution of the Land Use Restriction Agreement.** That the form of the Land Use Restriction Agreement relating to the Project (the “LURA”) in substantially the form presented at this meeting (and attached hereto as Exhibit “C”), expected to be dated as of August 1, 2021, by and among the Authority, the Trustee and the Borrower, is hereby approved and adopted by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairperson (or, in the absence of the Chairperson, the Vice Chairperson or any other member of the Authority in the absence of the Vice Chairperson) is hereby authorized to execute and deliver on behalf of the Authority, and the Secretary (or, in the absence of the Secretary, any Assistant Secretary) of the Authority is hereby authorized to affix the Seal of the Authority and attest to the execution of the LURA in the form presented to this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond

Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Authority.

**SECTION 8: Bond Purchase Contract.** That the Authority hereby agrees to sell the Bonds, pursuant to the terms and provisions of that certain Bond Purchase Agreement by and among the Authority, the Underwriter and the Borrower, substantially in the form attached hereto as Exhibit “D.” The Bond Purchase Agreement is hereby approved and authorized by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairperson (or, in the absence of the Chairperson, the Vice Chairperson or any other member of the Authority in the absence of the Vice Chairperson) is hereby authorized to execute and deliver on behalf of the Authority, and, if so required, the Secretary (or, in the absence of the Secretary, any Assistant Secretary) of the Authority is hereby authorized to affix the Seal of the Authority and attest to the execution of the Bond Purchase Agreement in the form presented to this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Authority.

**SECTION 9: Details of the Bonds.** That the proceeds of the Bonds, together with the moneys received by the Trustee from the Borrower, shall be applied, the Bonds shall mature in the years and in the amounts, bear interest at such rate or rates, and be subject to redemption, all as provided in the Indenture. The execution of the Bond Purchase Agreement and the Indenture shall constitute approval of such terms as set forth in this Section 9.

**SECTION 10: Appointment of Trustee, Registrar, and Paying Agent.** That U.S. Bank National Association, having its designated corporate trust office in Fort Lauderdale,

Florida, is hereby appointed Trustee, Registrar and Paying Agent under the Indenture.

**SECTION 11: Approval of and Authorization of Use and Distribution of Preliminary**

**Official Statement and Official Statement.** That the form of the Preliminary

Official Statement (the “Preliminary Official Statement”) relating to the Bonds in substantially the form presented at this meeting (and attached hereto as Exhibit “E”) is hereby approved and the use and distribution of which is hereby authorized by the Authority, together with such changes, modification and deletions as may be deemed necessary and appropriate. The

Chairperson, Vice Chairperson or the Executive Director is hereby authorized to deem the Preliminary Official Statement final as of its date. The Chairperson (or, in the absence of the Chairperson, the Vice Chairperson or any other member of the Authority in the absence of the Vice Chairperson) is hereby authorized to execute the final Official Statement (the “Official Statement”) in substantially the form of the Preliminary Official Statement, with such changes, insertions and omissions necessary to reflect the terms of the sale of the Bonds as provided in the Bond Purchase Agreement, with the advice of Bond Counsel and counsel to the Authority, and the distribution of the Official Statement in such form is hereby authorized.

**SECTION 12: Approval and Execution of Fee Guaranty and Environment**

**Indemnity Agreement.** That the form of the Fee Guaranty and Environmental Indemnity

Agreement relating to the Bonds (the “Indemnity Agreement”) in substantially the form presented at this meeting (and attached hereto as Exhibit “F”), expected to be dated as of August 1, 2021, by and among the Authority, the Trustee, the Borrower and the other indemnitors named therein, is hereby approved and adopted by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairperson (or, in the absence of the Chairperson, the Vice Chairperson or any other member of the Authority in the absence of the



Vice Chairperson) is hereby authorized to execute and deliver on behalf of the Authority, and the Secretary (or, in the absence of the Secretary, any Assistant Secretary) of the Authority is hereby authorized to affix the Seal of the Authority and attest to the execution of the Indemnity Agreement in the form presented to this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Authority.

**SECTION 13: Credit Underwriting Report.** The Credit Underwriting Report with respect to the Project delivered to the Authority by Seltzer Management Group, Inc., is hereby accepted and filed with the Authority, with the condition that any open or unresolved issues therein stated constituting closing conditions must be satisfied prior to the closing of the Bonds to the Authority's satisfaction, which satisfaction will be evidenced by the execution and delivery of the Indenture by the Authority. The Credit Underwriting Report is attached hereto as Exhibit "G."

**SECTION 14: Agreement of Authority.** That all covenants, stipulations, obligations and agreements contained in this resolution and contained in the Indenture, the Financing Agreement or other agreements to which the Authority is a party and which have been hereby approved by the Authority, shall be deemed to be the covenants, stipulations, obligations and agreements of the Authority and all such covenants, stipulations, obligations and agreements shall be binding upon the Authority.

**SECTION 15: No Other Rights Conferred.** That, except as herein otherwise expressly provided, nothing in this resolution or in the Indenture, expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation other than the Authority, the

registered owners of the Bonds issued under the provisions of this resolution and the Indenture, and the Trustee, any right, remedy or claim, legal or equitable, under and by reason of this resolution or any provision thereof or the Indenture or any provision thereof; this resolution, the Indenture and all of its provisions being intended to be and being for the sole and exclusive benefit of the Authority, the registered owners of the Bonds issued under the provisions of this resolution and the Indenture and the Trustee.

**SECTION 16: Severability.** That, in case any one or more of the provisions of this resolution, or of the Indenture, the Financing Agreement, the LURA, the Indemnity Agreement, or of any of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any of the other provisions of this resolution or of the Indenture, the Financing Agreement, the LURA, the Indemnity Agreement or of said Bonds, but this resolution, the Indenture, the Financing Agreement, the LURA, the Indemnity Agreement and said Bonds shall be construed and enforced as if such illegal or invalid provision or provisions had not been contained therein.

**SECTION 17: Ancillary Documents.** That any ancillary documents relating to the Bonds or the security therefore (herein, the “Ancillary Documents”) in the forms that are approved by the Executive Director, counsel to the Authority and Bond Counsel are hereby authorized and the Chairperson or, in the absence of the Chairperson, the Vice Chairperson or any other member of the Authority in the absence of a Vice Chairperson, is hereby authorized to execute and deliver such Ancillary Documents for which the Authority is a party on behalf of the Authority and the Secretary (or, in the absence of the Secretary, any Assistant Secretary) of the Authority is hereby authorized to affix the seal of the Authority (if required) and attest (if required) to the execution of any Ancillary Documents in the forms approved by the Executive Director, counsel to the

Authority and Bond Counsel, together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof of the Authority.

**SECTION 18: Further Actions.** That the Chairperson, the Vice Chairperson, the Secretary of the Authority and the other members of the Authority, the Executive Director of the Authority, the Authority's counsel, Bond Counsel, or other agents of the Authority and the officers, agents and employees of the Trustee are hereby authorized and directed to do all acts and things required of them by the provisions of the Bonds, the Indenture, and the other documents herein approved and also to do all acts and things required of them by the provisions of this resolution, including, but not limited to, the execution of such other documents that may be required for the better securing of the Bonds or as a condition precedent for the issuance of the Bonds. The Trustee is hereby authorized and directed to authenticate the Bonds and deliver them to the initial Bondholders in accordance with the Indenture and this resolution.

**SECTION 19: Headings Not Part of this Resolution.** That any headings preceding the texts of the several sections of this resolution shall be solely for convenience of reference and shall not form a part of this resolution, nor shall they affect its meaning, construction or effect.

**SECTION 20: Resolution Effective.** That this resolution shall take effect immediately upon its adoption.

**ADOPTED** this 23<sup>rd</sup> day of July, 2021.

(SEAL)

**HOUSING FINANCE AUTHORITY OF  
PALM BEACH COUNTY, FLORIDA**

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Secretary/Assistant Secretary

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chairperson/Vice Chairperson

APPROVED AS TO FORM AND LEGAL  
SUFFICIENCY

By: \_\_\_\_\_  
Name: Morris "Skip" Miller, Esq.  
Title: Attorney

## **EXHIBITS TO RESOLUTION**

Exhibit A	--	Trust Indenture
Exhibit B	--	Financing Agreement
Exhibit C	--	Land Use Restriction Agreement
Exhibit D	--	Bond Purchase Agreement
Exhibit E	--	Preliminary Official Statement
Exhibit F	--	Fee Guaranty and Environmental Indemnity Agreement
Exhibit G	--	Credit Underwriting Report

58461744v4/007132.020200

# Housing Financing Authority of Palm Beach County, Florida

*Credit Underwriting Report*

## St. Andrews Residences

Multifamily Rental Housing Bond Program

Section A      Report Summary

Section B      Supporting Information and Schedules

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*Prepared by*

***Seltzer Management Group, Inc.***

*Draft Report*

*July 9, 2021*

SMG

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ST. ANDREWS RESIDENCES

TABLE OF CONTENTS

	<b><u>Page</u></b>
<b>Section A</b> Report Summary	
➤ Recommendation	A1-A7
➤ Overview	A8-A10
➤ Uses of Funds	A11-A18
➤ Operating Pro Forma	A19-A21
 <b>Section B</b>	
Supporting Information and Schedules	
➤ Additional Development and Third Party Information	B1-B8
➤ Borrower Information	B9-B12
➤ Guarantor Information	B13 ➤ Syndicator
Information	B14 ➤ General Contractor
Information	B15
➤ Property Manager Information	B16
 <b>Exhibits</b>	
15 Year Pro Forma	1
Completeness and Issues Checklist	2 1-2
HC Allocation Calculation	3 1-3

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**JULY 9, 2021**

**SMG**

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**Section A**  
**Report Summary**



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**JULY 9, 2021**

Seltzer Management Group, Inc. (“SMG” or “Seltzer”) recommends the Housing Finance Authority of Palm Beach County, Florida (“HFAPBC” or “Authority”) fund a Tax-Exempt Multifamily Revenue Bond (“Bonds”) in the amount of \$26,000,000 to St. Andrews Residences (“Development”) for construction and permanent financing.

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
0	1.0	60	544	50%			\$750	\$0	\$750	\$1,180	\$1,180	\$1,180	\$1,180	\$849,600
1	1.0	40	644	50%			\$803	\$0	\$803	\$1,416	\$1,416	\$1,416	\$1,416	\$679,680
1	2.0	2	1,088	50%			\$803	\$0	\$803	\$1,416	\$1,416	\$1,416	\$1,416	\$33,984
0	1.0	27	544	60%			\$900	\$0	\$900	\$1,180	\$1,180	\$1,180	\$1,180	\$382,320
1	1.0	18	644	60%			\$963	\$0	\$963	\$1,416	\$1,416	\$1,416	\$1,416	\$305,856
1	2.0	2	1,088	60%			\$963	\$0	\$963	\$1,416	\$1,416	\$1,416	\$1,416	\$33,984
0	1.0	15	544	80%			\$1,200	\$0	\$1,200	\$1,180	\$1,180	\$1,180	\$1,180	\$212,400

**BOND CREDIT UNDERWRITING REPORT**
**SMG**

1	1.0	12	644	80%			\$1,285	\$0	\$1,285	\$1,416	\$1,416	\$1,416	\$1,416	\$203,904
1	2.0	1	1,088	80%			\$1,285	\$0	\$1,285	\$1,416	\$1,416	\$1,416	\$1,416	\$16,992
		177	106,008											\$2,718,720

Buildings: Residential - 1 Non-Residential - 0  
 Parking: Parking Spaces - 77 Accessible Spaces - 0

HFAPBC Bond Program Commitment: The proposed development must set aside seventy-one (71) units at or below 60%

Program	% of Units	# of Units	% AMI	Term (Years)
MMRB	40%	71	60%	17
HC	57.627%	102	50%	30
HC	26.554%	47	60%	30
HC	15.819%	28	80%	30

## BOND CREDIT UNDERWRITING REPORT

SMG

Absorption Rate 20 units per month for 0.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 98.00% Economic Occupancy 98.00%  
 Occupancy Comments Occupied

DDA: No QCT: No Multi-Phase Boost: No QAP Boost: No  
 Site Acreage: 0.99 Density: 178.7879 Flood Zone Designation: AE  
 Zoning: FWD-5; Flagler Waterfront District 5 Flood Insurance Required?: Yes

DEVELOPMENT TEAM		
Applicant/Borrower:	SA Residences Preservation, L.P.	% Ownership
General Partner	Rainbow Housing Assistance Corporation	0.0025%
Limited Partner	SA Residences Preservation Class B, LLC	0.0050%
Limited Partner	The Diocese of Southeast Florida Inc.	0.0025%
Limited Partner	Wells Fargo Community Lending and Investment	99.9900%
Construction Completion Guarantor(s):		
CC Guarantor 1:	SA Residences Preservation, L.P.	
CC Guarantor 2:	Rainbow Housing Assistance Corporation	
CC Guarantor 3:	SA Residences Preservation Class B, LLC	
CC Guarantor 4:	The Related Companies, L.P.	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	SA Residences Preservation, L.P.	
OD Guarantor 2:	Rainbow Housing Assistance Corporation	
OD Guarantor 3:	SA Residences Preservation Class B, LLC	
OD Guarantor 4:	The Related Companies, L.P.	
Bond Purchaser	Public Offering	
Developer:	SA Residences Developer, LLC	
Principal 1	The Related Companies, L.P.	
General Contractor 1:	Pyramid ETC Companies LLC dba ETC Companies, LLC	
Management Company:	TRG Management Company, LLP	
Syndicator:	Wells Fargo Community Lending and Investment	
Bond Issuer:	Housing Finance Authority of Palm Beach County, Florida	
Architect:	R.S. Granoff Architects, P.C.	
Market Study Provider:	Novagradac Consulting LLP	
Appraiser:	Novagradac Consulting LLP	

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	First					
Lender/Grantor	HFAPBC / Wells Fargo	0	0	0	0	0
Amount	\$26,000,000	\$0	\$0.00	\$0.00	\$0.00	\$0.00

## BOND CREDIT UNDERWRITING REPORT

SMG

Underwritten Interest Rate	3.49%	0.00%	0.00%	0.00%	0.00%	0.00%
Loan Term	17.0					
Amortization	35.0					
Market Rate/Market Financing LTV	71.6%					
Restricted Market Financing LTV	72.6%					
Loan to Cost - Cumulative	56.1%					
Debt Service Coverage	1.149					
Operating Deficit & Debt Service Reserves	\$618,971					
# of Months covered by the Reserves	6.4					
Deferred Developer Fee	\$4,201,166					
As-Is Land Value	\$3,540,000					
As-Is Value (Land & Building)	\$35,800,000					
Market Rent/Market Financing Stabilized Value	\$36,300,000					
Rent Restricted Market Financing Stabilized Value	\$35,800,000					
Projected Net Operating Income (NOI) - Year 1	\$1,527,335					
Projected Net Operating Income (NOI) - 15 Year	\$1,810,350					
Year 15 Pro Forma Income Escalation Rate	2.00%					
Year 15 Pro Forma Expense Escalation Rate	3.00%					
Bond Structure	Fannie Mae - M. TEB Immediate Funding					
Housing Credit (HC) Syndication Price	\$0.99					
HC Annual Allocation - Qualified in CUR	\$1,655,170					
HC Annual Allocation - Equity Letter of Interest	\$1,631,314					

## CONSTRUCTION/PERMANENT SOURCES:

Source	Lender	Construction	Permanent	Perm Loan/Unit
Local HFA Bonds	HFAPBC / Wells Fargo	\$26,000,000	\$26,000,000	\$146,892.66
HC Equity	WFCLI	\$12,435,500	\$16,150,000	\$91,242.94
Deferred Developer Fee	Developer	\$6,199,195	\$4,201,166	\$23,735.40
Net Operating Income	St. Andrews Residence	\$1,097,500	\$0	\$0.00
Operating Deficit Reserve	WFCLI	\$618,971	\$0	\$0.00

**BOND CREDIT UNDERWRITING REPORT****SMG**

<b>TOTAL</b>		\$46,351,166	\$46,351,166	\$261,870.99
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Financing Structure:

The Applicant submitted a Multifamily Rental Housing Bond Program Application to the HFAPBC. Wells Fargo Bank, N.A. ("Wells Fargo") will provide first mortgage financing through the Fannie Mae Mortgage Backed Securities ("MBS") Pass-Through ("M. TEB") Program in the amount of \$26,000,000 for the construction and permanent financing of the Development. The financing structure will be immediate funding/amortization, so the amount of the first mortgage will be the same for both the construction and permanent period.

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the application?	X	
Are all funding sources the same as shown in the Application?		1
Are all local government recommendations/contributions still in place at the level described in the Application?	N/A	
Is the Development feasible with all amenities/features listed in the Application?	X	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	X	
Does the Applicant have site control at or above the level indicated in the Application?	X	
Does the Applicant have adequate zoning as indicated in the Application?	X	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	X	
Have the Development costs remained equal to or less than those listed in the Application?		2
Is the Development feasible using the set-asides committed to in the Application?	X	
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	X	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	

HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?	X	
Is the Development in all other material respects the same as presented in the Application?	N/A	

The following are explanations of each item checked "No" in the table above:

1. The Application did not include Deferred Operating Reserves as a construction source. This source was included since the Operating Reserve will be fully funded following construction completion and stabilization.
2. Total Development Costs have increased by \$1,798,792, from \$44,552,374 to \$46,351,166, primarily due to increases in construction costs and general development costs.

These changes have no substantial material impact to the Bond recommendations for this Development.

Does the Development Team have any Florida Housing Finance Corporation ("FHFC") Financed Developments on the Past Due/Noncompliance Report?

Florida Housing's Past Due Report dated May 12, 2021 reflects the following past due item(s): None

Florida Housing's Asset Management Noncompliance Report dated June 9, 2020 reflects the following noncompliance item(s): None

This recommendation is subject to satisfactory resolution of any outstanding past due and/or noncompliance items prior to loan closing and the issuance of the annual HC allocation recommendation to FHFC.

Strengths:

1. Within the market study, Novogradac Consulting LLP ("Novo") states that the subject site is of a size and configuration that appears to be well suited for multifamily development. Novo states the capture rates are low and indicates there is sufficient demand for the subject units and average occupancy for the comparables within the Developments' Primary Market Area ("PMA") is 98.5%.
2. Although the Applicant, Class B Limited Partner and Developer entities are newly formed, the principals of the Developer and the Management Company have sufficient experience and financial resources to develop and operate the proposed Development.
3. The Development will receive a Mark-Up-to-Market Housing Assistance Payments ("HAP") contract providing Project Based Voucher Rents ("PBRA") on all 177 units. The contract rents exceed the maximum allowable HC rents for all unit types, resulting in an increase to gross potential income, while not increasing the rental rates for the tenants. Other Considerations: None

Waiver Requests/Special Conditions: None

Additional Information:

1. The United States is currently under a national emergency due to the spread of the virus known as COVID-19. The extent of the virus' impact to the overall economy is unknown. More specifically, it is

unknown as to the magnitude and timeframe the residential rental market (e.g. absorption rates, vacancy rates, collection losses, appraised value, etc.) and the construction industry (e.g. construction schedules, construction costs, subcontractors, insurance, etc.) will be impacted. Recommendations made by Seltzer in this report, in part, rely upon assumptions made by third-party reports that are unable to predict the impacts of the virus.

2. The Applicant has applied to the U.S. Department of Housing and Urban Development ("HUD") for the issuance of a Project Based Voucher ("PBV") Contract for the Development. The Applicant applied to HUD for rents set at 120% of Fair Market Rents ("FMR"). It was noted by the Applicant that HUD has suggested that they may not get approval of the 120% FMR, but are entitled to 110% FMR under the program. The Applicant notes that the first mortgage loan amount may be revised depending on which FMR is approved by HUD. Based on correspondence from HFAPBC, Seltzer has included the 120% FRM and higher Bond amount for purposes of underwriting as the approved rents will be in place at closing.
3. Seltzer has been provided a draft, undated and unexecuted, Easement Agreement between St. James Residences and the Applicant. The easement notes that the Properties ("St. Andrews Residences and St. James Residences") will grant a non-exclusive perpetual easement for vehicular and pedestrian ingress and egress over, across, and through the driveways, sidewalks, parking lot and skybridge construction within the Properties, and for the use and enjoyment of the exterior and interior amenities construction on the Properties now or in the future.

Each of the parties agrees to maintain the driveways, sidewalks, and recreational facilities within its respective property for the joint use by the parties.

Parking: It is acknowledged that there are approximately 77 parking spaces on the St. Andrews Residences Property and approximately 49 parking spaces on the St. James Residences Property, for an aggregate of 126 parking spaces. These parking spaces are allocated to occupants of the Properties on the basis of a waiting list and are identified to occupants out of the aggregate number of spaces, without regard to the Property in which the particular occupant resides. The Applicant agrees to perform ordinary maintenance and repairs to the parking spaces located on both of the Properties, in good and serviceable condition for the joint use by the Parties, ordinary wear and tear, and occasional interruption due to routine or extraordinary maintenance or events beyond a Party's reasonable control. St. James Residences shall pay to the Applicant a percentage share of the operating expenses arising from the maintenance and repair of the parking spaces. St. James Residences percentage share of the parking operating expense was not reflected in the draft. Seltzer recommends receipt of the final Easement Agreement and terms reflected.

Skybridge: It is acknowledged that a feature common to the Properties is a skybridge connecting the Properties to each other. St. James Residences agrees to perform ordinary maintenance and repairs to the skybridge for the benefit of both of the Properties, in good and serviceable condition for the joint use thereof by the Parties, ordinary wear and tear, and occasional interruption due to routine or extraordinary maintenance or events beyond a Party's reasonable control. The Applicant shall pay to St. James Residences a percentage share of the operating expenses arising from the maintenance and repair of the skybridge. The Applicant's percentage share of the skybridge expense was not reflected in the draft. Seltzer recommends receipt of the final Easement Agreement and terms reflected.



Issues and Concerns:

1. Seltzer has received the draft Plan and Cost Analysis ("PCA") prepared by Partner Engineering & Science, Inc. ("Partner"). The PCA notes a number of items for which Partner is requesting clarification.
2. Seltzer has received a draft, undated and unexecuted, Management Agreement between Applicant and TRG Management Company, LLP.
3. Seltzer has received a draft, unexecuted, Construction Contract between Applicant and Pyramid ETC Companies LLC ("ETC"). The accompanying Schedule of Values ("SOV") to the contract reflected a GC Fee that exceeded 14% of the hard construction costs as allowed per Rule.
4. The HAP Contract reflecting the HUD approved PBV rents was not provided during underwriting. Seltzer was provided the Rent Comparability Study for which the HAP rents are based on however no approval from HUD has been received.
5. Seltzer has been provided a draft, undated and unexecuted, Easement Agreement between The Applicant and St. Andrews Residences.

Mitigating Factors:

1. Receipt and satisfactory review of the PCA prepared by Partner reflecting no outstanding items or issues is a condition to close.
2. Receipt and satisfactory review of the Final Management Agreement with terms and conditions not substantially different from the Management Agreement utilized herein is a condition to close. The Applicant has confirmed that a Final Management Agreement will be provided prior to closing.
3. Receipt and satisfactory review of the Final Construction Contract with terms and conditions not substantially different from the Construction Contract utilized herein as well as an updated SOV reflecting a GC Fee that does not exceed 14% of the hard construction costs is a condition to close. The Applicant has confirmed that a Final Construction Contract will be provided prior to closing.
4. Receipt and satisfactory review of the approved HAP Contract reflecting rents not substantially different from those utilized in this report is a condition to close.
5. Receipt and satisfactory review of the fully executed Easement Agreement reflecting terms not substantially different from those utilized in this report is a condition to close. Recommendation:

SMG recommends the HFAPBC issue an Bonds in the amount of \$26,000,000 to the Applicant for the construction and permanent financing of the Development.

This recommendation is based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section B). The reader is cautioned to refer to these sections for complete information.

This recommendation is only valid for six months from the date of the report.

Prepared by:

Reviewed by:



Brian Barth  
Senior Credit Underwriter



Joshua Scribner  
Credit Underwriting Manager

## Overview

### Construction Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Construction Debt Service
First Mortgage	HFAPBC / Wells Fargo	\$25,000,000	\$26,000,000	\$26,000,000	3.485%	\$1,422,577
HC Equity	WFCLI	\$15,430,000	\$16,227,000	\$12,435,500		
Deferred Developer Fee	Developer	\$3,127,874	\$3,007,539	\$6,199,195		
Net Operating Income	St. Andrews Residence	\$994,500	\$1,278,403	\$1,097,500		
Deferred Operating Rese	WFCLI	\$0	\$0	\$618,971		
<b>Total</b>		<b>\$44,552,374</b>	<b>\$46,512,942</b>	<b>\$46,351,166</b>		<b>\$1,422,577</b>

### Proposed Bonds:

RBC Capital Markets, LLC ("RBC") provided a proposal dated April 10, 2021, proposing \$26,000,000 in taxexempt bonds be issued by HFAPBC. RBC will underwrite and market the Bonds via a Public Offering. The Bonds will initially be secured by cash collateralization and/or eligible investments until the Fannie Mae Mortgage-Backed Security ("MBS") is delivered to the Trustee. Thereafter, the Bonds will be secured by the Fannie Mae MBS.

Seltzer reviewed a May 5, 2021 letter from Wells Fargo for a construction/permanent loan in the amount of \$26,000,000 through the Fannie Mae M. TEB Program. The interest rate is subject to an index rate and spread. As of April 22, 2021, the index rate was 2.125% and the spread was 1.360%, resulting in a total rate of 3.485%. The interest rate on the MBS will be locked upon the determination of the Pass-Through rate, which will be determined upon the sale of the Bonds by the municipal underwriter in the public market. Wells Fargo will provide a first mortgage loan under the Fannie Mae M. TEB Program. The M. TEB will be an immediate funding in the amount of \$26,000,000 to finance the acquisition and rehabilitation of the Development. This amount is based on a loan to value of 90%, as determined by Wells Fargo, and a minimum debt service coverage of 1.15 to 1.00.

The mortgage loan will close simultaneously with the Bond transaction. At closing, the mortgage loan proceeds, and any additional eligible funds that may be required, will be remitted to the bond trustee to hold as collateral for the Bonds. Following closing of the mortgage loan, lender's acquisition and its delivery to Fannie Mae, Fannie Mae will certify the mortgage loan for purchase and issue its MBS to the trustee. The trustee will simultaneously remit the mortgage loan proceeds to Fannie Mae to purchase the MBS. Applicant has elected to utilize Fannie Mae's MBS as collateral for the Bonds.

Terms of the M. TEB include monthly principal and interest payments based on an interest rate of 3.485%, which includes the 6 bps cost for the Cost of Issuance Reimbursement feature. The term of the debt is 204 months, or 17 years, with an amortization period of 420 months, or 35 years.

Annual payments of all applicable fees will be required. Fees include an annual Ongoing Issuer Fee equal to 15 bps on the original Bond amount and a Trustee Fee \$3,750.

Other Construction Sources of Funds:

Additional construction sources of funds for this Development consist of \$12,435,500 of HC Equity, deferred Developer Fees in the amount of \$6,199,195, Net Operating Income of \$1,097,500, and deferred Operating Reserves of \$618,971. See the Permanent Financing section below for details.

**Permanent Financing Sources**

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt
First Mortgage	HFAPBC / Wells Fargo	\$25,000,000	\$26,000,000	\$26,000,000	3.485%	35	17	\$1,286,757
HC Equity	WFCL	\$15,430,000	\$16,227,000	\$16,150,000				
Def. Developer Fee	Developer	\$4,122,374	\$4,285,942	\$4,201,166				
<b>Total</b>		<b>\$44,552,374</b>	<b>\$46,512,942</b>	<b>\$46,351,166</b>				<b>\$1,286,757</b>

First Mortgage - Bond Permanent Financing

Terms of the Bonds are detailed in the previous section.

Housing Credits Equity Investment:

In addition to the Bonds, the Applicant will apply to FHFC for Housing Credits.

Based upon a June 1, 2021 letter, Wells Fargo Affordable Housing Community Development Corporation ("WFAH") will purchase a 99.99% interest in the Applicant and provide HC equity as follows:

Capital Contributions	Amount	Percent of Total	When Due
1st Installment	\$4,037,500	25.00%	Upon Investors admission into the Applicant, anticipated on or before August 31, 2021
2nd Installment	\$2,422,500	15.00%	Later of (i) 25% construction completion and (ii) November 1, 2021
3rd Installment	\$3,553,000	22.00%	Later of (i) 50% construction completion and (ii) January 1, 2022
4th Installment	\$2,422,500	15.00%	Later of (i) 75% construction completion and (ii) April 1, 2022

5th Installment	\$1,938,000	12.00%	Latest to occur of (i) temporary certificates of occupancy for any applicable units, (ii) lien free completion, (iii) architect's certificate of completion, (iv) verification of completion by WFCLl inspector, (v) completion of any potential environmental remediation and receipt of any required governmental approvals, (vi) General Partner's draft cost certification and draft 50% test, and (vii) July 1, 2022
6th Installment	\$1,453,500	9.00%	Latest to occur of (i) evidence of 1.15x DSCR and 95% occupancy for 90 consecutive days, (ii) evidence of income qualification/initial tenant file review for 100% of LIHTC units, (iii) final accountants' cost certification and 50% test, and (iv) October 1, 2022
7th Installment	\$323,000	2.00%	Latest to occur of (i) full funding of all financing sources and project reserves, (ii) receipt of final certificates of occupancy for all units, (iii) receipt of form(s) 8609, and (iv) January 1, 2023
Total	\$16,150,000	100.00%	

Annual Tax Credits per Syndication Agreement: \$1,631,314

Total HC Available to Syndicator (10 years): \$16,311,509

Syndication Percentage (limited partner interest): 99.990%

Calculated HC Exchange Rate (per dollar): \$0.990

Proceeds Available During Construction: \$12,435,500

Sufficient equity proceeds will be disbursed at closing to meet regulatory requirements.

Other Permanent Sources of Funds:

In order to balance the sources and uses of funds after all loan proceeds and capital contributions payable under the WFAH equity investment have been received, the Developer will have to defer \$4,201,166 of Developer Fees.

## Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accessory Buildings				\$0	
Demolition				\$0	\$0
Installation of Pre Fab Units				\$0	
New Rental Units				\$0	
Off-Site Work				\$0	
Recreational Amenities				\$0	
Rehab of Existing Common Areas				\$0	
Rehab of Existing Rental Units	\$9,336,221	\$8,641,430	\$8,466,430	\$47,833	
Site Work			\$175,000	\$989	\$8,750
Swimming Pool				\$0	
Furniture, Fixture, & Equipment				\$0	
Hard Cost Contingency - in Constr. Contr.				\$0	
Constr. Contr. Costs subject to GC Fee	\$9,336,221	\$8,641,430	\$8,641,430	\$48,822	\$8,750
General Conditions		\$518,486	\$518,486	\$2,929	
Overhead		\$172,829	\$172,829	\$976	
Profit		\$518,486	\$518,486	\$2,929	
Builder's Risk Insurance				\$0	
General Liability Insurance				\$0	
Payment and Performance Bonds				\$0	
Contract Costs not subject to GC Fee				\$0	
Total Construction Contract/Costs	\$9,336,221	\$9,851,231	\$9,851,231	\$55,657	\$8,750
Hard Cost Contingency		\$864,143	\$864,143	\$4,882	
PnP Bond paid outside Constr. Contr.		\$133,942	\$133,942	\$757	
Fees for LOC used as Constr. Surety				\$0	
Demolition paid outside Constr. Contr.				\$0	
FF&E paid outside Constr. Contr.		\$75,000	\$75,000	\$424	
Other:				\$0	
<b>Total Construction Costs:</b>	<b>\$9,336,221</b>	<b>\$10,924,316</b>	<b>\$10,924,316</b>	<b>\$61,719</b>	<b>\$8,750</b>

## Notes to the Construction Costs:

1. The Borrower provided a draft, unexecuted, AIA Document A102-2017 Standard Form of Agreement Between the Owner and Contractor, where the basis of payment is the Cost of Work Plus a Fee with a Guaranteed Maximum Price ("GMP") dated June 1, 2021, in the amount of \$9,851,231. The GMP states that retainage of ten percent (10%) on all draws submitted through seventy-five percent (75%) completion, and five percent (5%) retainage withheld on amounts thereafter.

The Construction Contract specifies that the Date of Commencement shall be set forth in a notice to proceed issued by the Owner. The Contract notes the Contractor shall achieve Substantial Completion of the entire work not later than October 1, 2022, approximately 14 months from the date of the Contract. Final payment will be made when the contract has been fully performed, the General Contractor has submitted final accounting for the Cost of the Work and a final Certificate for Payment has been issued by the Architect. The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment.

ETC also provided an executed General Contractor Certification of Requirements, whereby the General Contractor acknowledges and commits to adhere to all requirements related to a General Contractor as published within Rule Chapter 67-21 ("Rule"), Florida Administrative Code. The GMP Contract did not include any allowances.

2. General Contractor fees as stated exceed the 14% maximum per Rule. Receipt and satisfactory review of the Final Construction Contract with terms and conditions not substantially different from the Construction Contract utilized herein as well as an updated SOV reflecting a GC Fee that does not exceed 14% of the hard construction costs is a condition to close.
3. The Hard Cost Contingency is within the 15% maximum as established by the Rule.
4. The cost of the payment and performance bond is outside the GC Contract.
5. FF&E paid outside the Construction Contract will provide FF&E for the fitness center, library, beauty salon, outdoor patio including bike parking and BBQ areas, community room, computer center, and a nursing room used for regular on-site visits.
6. SMG engaged and received a Plan and Cost Analysis ("PCA") from Partner Engineering & Science, Inc. ("Partner"). Complete results are set forth in Section B of this report.

## BOND CREDIT UNDERWRITING REPORT

SMG

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees		\$15,000	\$15,000	\$85	\$7,500
Appraisal		\$7,000	\$3,075	\$17	
Architect's and Planning Fees				\$0	
Architect's Fee - Green Initiative				\$0	
Architect's Fee - Landscape				\$0	
Architect's Fee - Site/Building Design		\$160,000	\$160,000	\$904	
Architect's Fee - Supervision		\$50,000	\$50,000	\$282	
Building Permits		\$100,000	\$100,000	\$565	
Builder's Risk Insurance				\$0	
Capital Needs Assessment/Rehab		\$5,000	\$3,900	\$22	
Engineering Fees				\$0	
Environmental Report		\$12,000	\$12,000	\$68	
Federal Labor Standards Monitoring				\$0	
FHFC Administrative Fees		\$147,532	\$148,966	\$842	\$148,966
FHFC Application Fee		\$4,500	\$4,500	\$25	\$4,500
FHFC Credit Underwriting Fee			\$13,063	\$74	\$13,063
FHFC Compliance Fee		\$155,760	\$147,687	\$834	\$147,687
FHFC Other Processing Fee(s)				\$0	
Impact Fee				\$0	
Lender Inspection Fees / Const Admin		\$15,000	\$15,000	\$85	
Green Building Cert. (LEED, FGBC, NGBS)				\$0	
Home Energy Rating System (HERS)				\$0	
Insurance		\$240,000	\$240,000	\$1,356	\$80,000

## BOND CREDIT UNDERWRITING REPORT

SMG

Legal Fees - Organizational Costs	\$170,000	\$205,000	\$205,000	\$1,158	\$205,000
Local Subsidy Underwriting Fee				\$0	
Market Study		\$5,000	\$3,075	\$17	\$3,075
Marketing and Advertising				\$0	\$0
Plan and Cost Review Analysis			\$2,000	\$11	
Property Taxes		\$9,750	\$9,750	\$55	\$3,250
Soil Test				\$0	
Survey		\$6,000	\$6,000	\$34	
Tenant Relocation Costs		\$354,000	\$354,000	\$2,000	
Title Insurance and Recording Fees		\$100,000	\$100,000	\$565	\$50,000
Traffic Study				\$0	
Utility Connection Fees				\$0	
Soft Cost Contingency		\$169,287	\$79,651	\$450	
Other: <b>Soft Costs</b>	\$1,208,590			\$0	
Other: <b>Management Transition Cost</b>		\$25,000		\$0	
Other: <b>Travel Expenses</b>		\$5,000		\$0	
Other:				\$0	
Other:				\$0	
<b>Total General Development Costs:</b>	<b>\$1,378,590</b>	<b>\$1,790,829</b>	<b>\$1,672,667</b>	<b>\$9,450</b>	<b>\$663,041</b>

*Notes to the General Development Costs:*

1. Appraisal figure reflects the cost of the report engaged by Seltzer.
2. Architect's Fees for architecture and engineering design services reflect the fees as stipulated in the executed AIA B104-2017, Standard Abbreviated Form of Agreement between Owner and Architect, R.S. Granoff Architects, P.C., dated April 5, 2021.
3. Applicant has confirmed that there is no separate Builder's Risk Insurance for the Development. The Applicant's property liability insurance policies also cover any Builder's Risk Insurance that is needed.
4. Capital Needs Assessment and Plan and Cost Review figures reflect the cost of the reports engaged by Seltzer.



5. The FHFC Administrative Fee is based on 9% of the recommended annual allocation of HC. The FHFC Application Fee is reflective of the application fee for 4% HC. The 2021 FHFC Credit Underwriting Fee is based on the 2021 Fee Schedule. The FHFC Compliance Fee is based on the 2021 4% Compliance Monitoring Fee calculator.
6. Legal Fees include those attributable to the costs associated with counsel fees for acquisition, HUD, non-profit, local and other organizational expenses.
7. Soft cost contingency has been limited to 5% as allowed per Rule.
8. Other General Development Costs are based on the Borrower's estimates, which appear reasonable.

## BOND CREDIT UNDERWRITING REPORT

SMG

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Application Fee				\$0	
Construction Loan Underwriting Fee				\$0	
Construction Loan Origination Fee				\$0	
Construction Loan Commitment Fee				\$0	
Construction Loan Closing Costs				\$0	
Construction Loan Interest	\$994,500	\$861,000	\$861,000	\$4,864	
Construction Loan Servicing Fees				\$0	
Permanent Loan Application Fee		\$60,000	\$60,000	\$339	\$60,000
Permanent Loan Underwriting Fee				\$0	\$0
Permanent Loan Subsidy Layering Rev.				\$0	\$0
Permanent Loan Commitment Fee				\$0	\$0
Permanent Loan Origination Fee	\$942,543	\$260,000	\$260,000	\$1,469	\$260,000
Permanent Loan Closing Costs				\$0	\$0
Permanent Loan Interest				\$0	\$0
Permanent Loan Servicing Fee				\$0	\$0
Local HFA Application Bond Fee		\$3,000		\$0	\$0
Local HFA Bond Underwriting Fee			\$15,543	\$88	\$15,543
Local HFA Bond Subsidy Layering Rev.				\$0	\$0
Local HFA Bond Origination Fee		\$52,000		\$0	\$0
Local HFA Bond Commitment Fee				\$0	\$0
Local HFA Bond Trustee Fee		\$5,000		\$0	\$0
Local HFA Bond Credit Enh. Fee				\$0	\$0
Local HFA Bond Rating Fee		\$10,000		\$0	\$0

## BOND CREDIT UNDERWRITING REPORT

SMG

Local HFA Bond Cost of Issuance			\$385,600	\$2,179	\$385,600
Local HFA Bond Closing Costs				\$0	\$0
Local HFA Bond Interest				\$0	\$0
Local HFA Bond Servicing Fee				\$0	\$0
Local HFA Legal - Bond Counsel		\$60,000		\$0	\$0
Local HFA Legal - Borrower's Counsel				\$0	\$0
Local HFA Legal - Issuer's Counsel		\$39,000		\$0	\$0
Local HFA Legal - Lender's Counsel		\$45,000		\$0	\$0
Local HFA Legal - U/W's Counsel		\$40,000		\$0	\$0
Legal Fees - Financing Costs				\$0	
Negative Arbitrage				\$0	
Forward Rate Lock Fee				\$0	
Placement Agent/Underwriter Fee		\$156,000		\$0	\$0
Initial TEFRA Fee		\$7,500		\$0	\$0
FHA MIP (Prepayment)				\$0	
FHA Exam Fee				\$0	
NIBP Commitment Fee				\$0	
Other: GSE Counsel		\$35,000		\$0	
Other: Trustee Counsel		\$5,000		\$0	
Other:				\$0	
<b>Total Financial Costs:</b>	<b>\$1,937,043</b>	<b>\$1,638,500</b>	<b>\$1,582,143</b>	<b>\$8,939</b>	<b>\$721,143</b>
<b>Dev. Costs before Acq., Dev. Fee &amp; Reserves</b>	<b>\$12,651,854</b>	<b>\$14,353,645</b>	<b>\$14,179,126</b>	<b>\$80,108</b>	<b>\$1,392,934</b>

*Notes to the Financial Costs:*

1. Construction loan interest reflects the Applicant's estimate of capitalized interest, which appears reasonable.
2. Permanent Loan Application Fee is consistent with Wells Fargo / Fannie Mae application fee.
3. Permanent Loan Origination Fee is equal to 1.00% of the loan amount as stated in the LOI.

4. Local HFA Bond Underwriting Fee reflects the HFAPBC Bond underwriting fee for Seltzer.
5. Local HFA Bond Cost of Issuance amount is based on the estimate provided by RBC and includes the following: fees and expenses of the Issuer, RBC Underwriter Fee, Bond Counsel and other fees.
6. Other Financial Costs are based on the Borrower's estimates, which appear reasonable.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Building				\$0	
Building Acquisition Cost	\$25,000,000	\$21,460,000	\$22,216,981	\$125,520	
Developer Fee on Non-Land Acq. Costs			\$3,999,056	\$22,594	
Other:				\$0	
<b>Total Non-Land Acquisition Costs:</b>	<b>\$25,000,000</b>	<b>\$21,460,000</b>	<b>\$26,216,037</b>	<b>\$148,113</b>	<b>\$0</b>

*Notes to the Non-Land Acquisition Costs:*

1. Applicant provided a Real Estate Purchase and Sale Agreement ("PSA") dated February 3, 2021 between St. Andrew's Residence of the Diocese of Southeast Florida, Inc. (Seller) and SA Residences Preservation, L.P. (Purchaser) with a purchase price of \$25,000,000. The closing shall take place simultaneously with the closing of the transaction contemplated by the St. James Residences Real Estate Purchase and Sale Agreement on or before the date that is 240 days after the contract date. Notwithstanding anything in the PSA to the contrary: (a) the closing contemplated by the PSA shall be conditioned upon the closing contemplated by the St. James Agreement occurring on the same date as the Closing Date, and (b) the Closing Date shall not be extended by any provision in the Agreement for any reason beyond September 30, 2021 (the "Outside Closing Date").
2. The "as is" appraised value of the Development is \$35,800,000, which supports the purchase price.
3. Building Acquisition Costs of \$22,216,981 is the difference of the purchase price minus the land value. The land value is noted below under Land Acquisition Costs.
4. Maximum Developer Fee on building acquisition costs is the total purchase price (exclusive of land acquisition costs) multiplied by the Developer Fee percentage (18%).

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	\$6,048,236	\$6,376,069	\$2,377,013	\$13,429	
DF to fund Operating Debt Reserve				\$0	
DF to Brokerage Fees - Land				\$0	
DF to Excess Land Costs				\$0	

**BOND CREDIT UNDERWRITING REPORT****SMG**

DF to Excess Bldg Acquisition Costs				\$0	
DF to Consultant Fees				\$0	
DF to Guaranty Fees				\$0	
Other:				\$0	
<b>Total Other Development Costs:</b>	<b>\$6,048,236</b>	<b>\$6,376,069</b>	<b>\$2,377,013</b>	<b>\$13,429</b>	<b>\$0</b>

*Notes to the Other Development Costs:*

1. Total Developer Fee does not exceed 18% of Total Development Costs, exclusion of land Acquisition Costs and Reserves.

<b>LAND ACQUISITION COSTS</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HC Ineligible Costs - CUR</b>
Brokerage Fees - Land				\$0	\$0
Land Acquisition Cost				\$0	\$0
Land		\$3,540,000	\$2,783,019	\$15,723	\$2,783,019
Land Lease Payment				\$0	\$0
Land Carrying Costs				\$0	\$0
Other:				\$0	\$0
<b>Total Acquisition Costs:</b>	<b>\$0</b>	<b>\$3,540,000</b>	<b>\$2,783,019</b>	<b>\$15,723</b>	<b>\$2,783,019</b>

*Notes to the Land Acquisition Costs:*

1. The appraisal estimated the "as is" market value of the land to be \$3,540,000.
2. The Palm Beach County Property Appraiser website reflects a land value of \$4,608,643 for the subject.
3. Seltzer has utilized the lesser of the appraised land value, land value per the Palm Beach County Property Appraiser for St. Andrews Residences, or the Florida Housing land allocation calculation. The Florida Housing land allocation calculation was the lesser value of the three.

<b>RESERVE ACCOUNTS</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HC Ineligible Costs - CUR</b>
Operating Deficit Reserve (FHFC)				\$0	\$0
Operating Deficit Reserve (Lender)				\$0	\$0

**BOND CREDIT UNDERWRITING REPORT****SMG**

Operating Deficit Reserve (Syndicator)	\$852,284	\$606,228	\$618,971	\$3,497	\$618,971
Debt Service Coverage Reserve (FHFC)				\$0	\$0
Debt Service Coverage Reserve (Lender)				\$0	\$0
Debt Service Coverage Reserve (Syndicator)				\$0	\$0
Replacement Reserves (FHFC)				\$0	\$0
Replacement Reserves (Lender)		\$177,000	\$177,000	\$1,000	\$177,000
Replacement Reserves (Syndicator)				\$0	\$0
Reserves - Start-Up/Lease-up Expenses				\$0	\$0
Reserves - Working Capital				\$0	\$0
Other:				\$0	\$0
<b>Total Reserve Accounts:</b>	<b>\$852,284</b>	<b>\$783,228</b>	<b>\$795,971</b>	<b>\$4,497</b>	<b>\$795,971</b>

*Notes to the Reserve Accounts Costs:*

1. Operating Deficit Reserve (Syndicator) – Per WFCL's equity investment letter dated June 1, 2021, a reserve estimated to be \$618,971 will be required.
2. Replacement Reserves (Lender) – Based on the Applicant's pro forma and required by HUD.

<b>TOTAL DEVELOPMENT COSTS</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HC Ineligible Costs - CUR</b>
<b>TOTAL DEVELOPMENT COSTS:</b>	<b>\$44,552,374</b>	<b>\$46,512,942</b>	<b>\$46,351,166</b>	<b>\$261,871</b>	<b>\$4,971,924</b>

*Notes to the Total Development Costs:*

1. Since submission of the application, anticipated Total Development Costs have increased by \$1,798,792, from \$44,552,374 to \$46,351,166 due mainly to an increase in construction costs and general development costs.

## Operating Pro forma

OPERATING PRO FORMA			ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income		\$2,718,720	\$15,360
	Rent Subsidy (ODR)		\$0	\$0
	Other Income:			
	Ancillary Income-Parking		\$0	\$0
	Miscellaneous		\$22,500	\$127
	Washer/Dryer Rentals		\$8,500	\$48
	Gross Potential Income		\$2,749,720	\$15,535
	Less:			
	Economic Loss - Percentage:	0.0%	\$0	\$0
	Physical Vacancy Loss - Percentage:	2.0%	(\$54,994)	(\$311)
	Collection Loss - Percentage:	0.0%	\$0	\$0
Total Effective Gross Revenue			\$2,694,726	\$15,224
EXPENSES	Fixed:			
	Real Estate Taxes		\$6,500	\$37
	Insurance		\$160,000	\$904
	Other		\$0	\$0
	Variable:			
	Management Fee - Percentage:	3.9%	\$106,158	\$600
	General and Administrative		\$121,000	\$684
	Payroll Expenses		\$234,689	\$1,326
	Utilities		\$314,634	\$1,778
	Marketing and Advertising		\$3,000	\$17
	Maintenance and Repairs		\$80,810	\$457
	Grounds Maintenance and Landscaping		\$7,500	\$42
	Resident Programs		\$0	\$0
	Contract Services		\$0	\$0

## BOND CREDIT UNDERWRITING REPORT

SMG

	Security	\$80,000	\$452
	Other-Pest Control	\$0	\$0
	Reserve for Replacements	\$53,100	\$300
<b>Total Expenses</b>		\$1,167,391	\$6,595
<b>Net Operating Income</b>		\$1,527,335	\$8,629
<b>Debt Service Payments</b>			
<b>DEBT SERV</b>	First Mortgage - HFAPBC / Wells Fargo	\$1,286,757	\$7,270
	All Other Mortgages -	\$0	\$0
	First Mortgage Fees - HFAPBC / Wells Fargo	\$42,750	\$242
	All Other Mortgages Fees -	\$0	\$0
<b>Total Debt Service Payments</b>		\$1,329,507	\$7,511
<b>Cash Flow After Debt Service</b>		\$197,828	\$1,118
<b>Debt Service Coverage Ratios</b>			
	DSC - First Mortgage plus Fees	1.149	
	DSC - All Mortgages and Fees	1.149	
<b>Financial Ratios</b>			
	Operating Expense Ratio	43.3%	
	Break-Even Ratio	90.9%	

*Notes to the Operating Pro forma and Ratios:*

1. The Development will be utilizing HCs, which will impose rent restrictions, in conjunction with the Bonds. The Development is anticipated to receive PBRA rents from HUD, which are reflected in the Gross Potential Rental Income as shown in the operating pro forma on the previous page. Restrictions imposed by the Bond program consist of 40% of the units (71 units) set aside for households earning 60% or less of the AMI. At this time, it is anticipated that the Applicant will apply to the HC program under Income Averaging with the estimated following set-asides: 57.627% of the units (102 units) set aside for households earning 50% or less of the AMI, 26.554% of the units (47 units) at 60% or less of the AMI and 15.819% of the units (28 units) at 80% or less of the AMI. The Applicant states that the Owner pays all utilities at the Development.
2. A rent roll for the Development, utilizing FHFC published 2021 Rent Limits, is illustrated in the following table:



MSA/County: Miami – Fort Lauderdale – Pompano Beach MSA / Palm Beach County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
0	1.0	60	544	50%			\$750	\$0	\$750	\$1,180	\$1,180	\$1,180	\$1,180	\$849,600
1	1.0	40	644	50%			\$803	\$0	\$803	\$1,416	\$1,416	\$1,416	\$1,416	\$679,680
1	2.0	2	1,088	50%			\$803	\$0	\$803	\$1,416	\$1,416	\$1,416	\$1,416	\$33,984
0	1.0	27	544	60%			\$900	\$0	\$900	\$1,180	\$1,180	\$1,180	\$1,180	\$382,320
1	1.0	18	644	60%			\$963	\$0	\$963	\$1,416	\$1,416	\$1,416	\$1,416	\$305,856
1	2.0	2	1,088	60%			\$963	\$0	\$963	\$1,416	\$1,416	\$1,416	\$1,416	\$33,984
0	1.0	15	544	80%			\$1,200	\$0	\$1,200	\$1,180	\$1,180	\$1,180	\$1,180	\$212,400
1	1.0	12	644	80%			\$1,285	\$0	\$1,285	\$1,416	\$1,416	\$1,416	\$1,416	\$203,904
1	2.0	1	1,088	80%			\$1,285	\$0	\$1,285	\$1,416	\$1,416	\$1,416	\$1,416	\$16,992
		177	106,008											\$2,718,720

3. Miscellaneous income reflects the Applicant's estimate for income received from tenant charges such as late fees, damages, bad debt recoveries, and other fees.
4. Washer/Dryer income reflects the Applicant's estimate for income associated with community laundry rooms on each floor for which there is a charge to utilize the equipment.
5. The Appraiser estimates a physical vacancy of 2% and no collection loss for a stabilized physical occupancy of 98% and a stabilized economic occupancy of 98%.
6. Real Estate Tax and Insurance expenses reflect the Applicant's estimates which are consistent with the Appraiser's estimates.
7. Management Fees are noted as the following in the Draft Management Agreement:
  - Property Management Fee equal to \$47.00 per unit per month.
  - Compliance Reporting Fee equal to \$4.00 per unit per month.
8. Security expenses are based on a Security Services Agreement between the previous Owner, St. Andrews Residence of Diocese of Southeast Florida, Inc. and Securitas Security Services USA, Inc. ("Securitas") effective January 30, 2018 for Traditional On-Site Guarding. The Applicant states that they will continue this agreement with Securitas following closing.
9. Since St. Andrews Residences was already operating at a stabilized occupancy and the Seller, The Diocese of Southeast Florida, Inc., will remain a partner (Class C Limited Partner) in the Applicant

entity, Seltzer has utilized the Applicant's estimates as they are based on prior operations at the Development.

10. Other operating expense estimates are based on market comparables and are supported by the appraisal.
11. Replacement Reserves were estimated at \$300 per unit per year. Seltzer has utilized that amount in the operating pro forma, escalating at 3% per year thereafter, as required by the Syndicator, which meets the minimum required by Rule.
12. A 15-year income and expense projection reflects increasing debt service coverage ("DSC") through year fifteen (15). This projection is attached to this report as Exhibit 1.

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**SMG**

**Section B**

**Supporting Information and Schedules**

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JULY 9, 2021

**Additional Development and Third Party Supplemental Information**

**Appraised Value:** The appraised value is \$36,300,000 as if completed and stabilized, based on market rents and market financing, as reported in the full narrative appraisal dated May 28, 2021, with an effective date of April 28, 2021, performed by Novogradac Consulting LLP ("Novo") of Bethesda, Maryland. H. Blair Kincer, MAI, CRE is a State Certified General Appraiser, License No. RZ4162. Based on the market value of the property, the loan-to-value ratio for the first mortgage Bonds is 71.6%.

The appraised value as if completed and stabilized and based on Project Based Voucher rents and market financing terms is estimated at \$35,800,000. The loan-to-value ratio for the first mortgage Bonds based on this value is 72.6%.

The appraisal estimated an "as is" value of the Subject Development based on market rents of \$31,800,000 and an "as is" value based on Project Based Voucher rents of \$35,800,000, which supports the purchase price of \$25,000,000.

The appraisal estimated an "as if vacant" value of \$3,540,000.

**Market Study:** A Market Study was prepared for the Subject Development by Novo dated May 28, 2021, with an effective date of April 28, 2021.

The Market Study confirms that the Subject Development is not located in a Difficult Development Area ("DDA") nor a Qualified Census Tract ("QCT").

The Subject Development is located in West Palm Beach, Palm Beach County, which is generally considered to be in the Miami-Fort Lauderdale-Pompano Beach Metropolitan Statistical Area ("MSA"). The subject is located at 208 Fern Street and is accessible via Fern Street and S Flagler Drive. Novo notes that the subject is located in a mixed-use neighborhood with a number of multifamily residences, as well as retail and commercial uses. Novo states that the subject's access and traffic flow are considered good.

The Primary Market Area ("PMA") is noted to be the area from which potential tenants for the Development are likely to be drawn. The PMA is generally defined as the city of West Palm Beach and the boundaries are as follows: N Jog Road and 45<sup>th</sup> street to the north, the Palm Beach Coast Line to the east, Forest Hill Boulevard to the south, and Florida's

Turnpike to the west. The PMA encompasses approximately 45 square miles. Novo expects the household growth in the PMA to increase at a rate of 1.2% annually through 2025, slightly above the projected growth in the MSA and nation.

Novo notes that there are 23 LIHTC/Bond properties within the PMA totaling 3,040 units. Of these 23 properties, Novo states that there are six properties located within the PMA that target seniors of which two were used as comparables and two receive Project Based Vouchers. The two senior comparable properties, Georgian Gardens and Pinnacle Palms, consist of a total of 239 units with a weighted average occupancy of 100.0%. There are a number of developments proposed and under construction, however, all these developments have a family designation and the majority are market rate and are not considered competitive with the Subject Development. Based on the current strong occupancy at the comparable properties and the two comparables maintaining waiting lists, Novo believes that there is strong income qualified demand in the PMA to support the stabilized Subject Development without having any material impact (short-term or long-term) on existing affordable housing in the PMA.

The Market Study noted no Guarantee Fund developments located within the Subject Development's PMA.

Novo projects that the Development will obtain maximum allowable 2021 HC rents. Novo notes that the Subject Development will benefit from a Project Based Voucher Contract and that these contract rents are above the maximum allowable levels. According to FHFC requirements for HCs, the average market rent must be 10% greater than the average restricted rent; in Novo's analysis, the subject's LIHTC rents are approximately 83% below market, meeting FHFC requirements. HAP contract rents are estimated to be 23% to 28% below estimated market rents.

When viewing total income-eligible renter households, the calculation illustrates an overall capture rate of 6.61% for the Subject Development's studio units and an overall capture rate of 3.45% for the one bedroom units. This suggests that the Development will need to capture a small portion of the available demand to remain stabilized.

Novo anticipates that if the subject were hypothetically vacant it would achieve a stabilized occupancy of 95% within 8.5 months based on an absorption of 20 units per month. It should be noted, however, that the

- Subject Development is currently operating at a stabilized occupancy. In this instance there would be minimal to no absorption.
- Environmental Report: Partner Assessment Corporation (“PAC”) performed a Phase I Environmental Site Assessment (“ESA”) in accordance with ASTM Standard E-1527-13. The ESA is dated March 2, 2021.
- A Recognized Environmental Condition (“REC”) refers to the presence of any hazardous substances or petroleum products in, on, or at a property:
- (1) due to release to the environment; (2) under conditions indicative of a release to the environment; or (3) under conditions that pose a material threat of a future release to the environment. PAC found no evidence of any RECs.
- A Controlled REC (“CREC”) refers to a REC resulting from a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority, with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls. PAC found no evidence of any CRECs.
- A Historical REC (“HREC”) refers to a past release of any hazardous substances or petroleum products that has occurred in connection with the property and has been addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted use criteria established by a regulatory authority, without subjecting the property to any required controls. The subject was formerly equipped with on 125gallon diesel fuel underground storage tank (“UST”) installed in 1970 that was associated with an emergency generator. The UST was reportedly removed in December 1998. In September 2018, an initial soil sampling event was conducted and the results indicated a benzo(a)pyrene concentration above Soil Cleanup Target Levels. Additional soil sampling was completed through May 2019 and it was concluded at that time that there was no soil contamination associated with the December 1998 discharge. A No Further Action Proposal dated June 19, 2019 was adequate to meet the site assessment requirements. PAC notes the discharge is considered a HREC and no further action is recommended at this time.
- An Environmental Issue refers to environmental concerns which do not qualify as RECs; however, warrant further discussion. PAC notes that due to the age of the subject, there is a potential that asbestos-containing material (“ACM”) and/or Lead-Based Paint (“LBP”) are present. PAC notes that an ACM Operations and Maintenance (“O&M”), dated November 20, 2020, prepared by Langan,

is currently in-place. Seltzer has been provided a copy of the ACM O&M Plan.

Based on PAC's conclusions within their ESA, PAC notes that the assessment has revealed no evidence of RECs in connection with the Subject, however a HREC and environmental issue were identified. PAC recommends continued implementation of the existing ACM O&M Plan that is currently in place. In addition, PAC notes an O&M Plan should be implemented in order to safely management the suspect LBP located at the subject. Seltzer has subsequently been provided a LBP O&M Plan, prepared by PAC, dated April 7, 2021.

Soil Test Report: Existing properties undergoing rehabilitation with no new construction do not typically require soils tests.

Capital Needs Assessment: SMG received a Property Condition Report ("PCR") (aka Capital Needs Assessment) from Partner Engineering & Science, Inc. ("Partner"), dated May 27, 2021, last revised June 10, 2021.

The PCR was prepared in general conformance with ASTM E2018-15 Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process and as specific in the engagement agreement that initiated this work.

The purpose of the PCR is to provide information to evaluate the condition of the subject in order to facilitate completion of due diligence by the addressee. This is accomplished by describing the primary systems and components of the subject, identifying conspicuous defects or material deferred maintenance, and presenting an opinion of cost to remedy the observed conditions. Based on the systems and components observed during the site visit on April 21, 2021, the subject appeared to be in good condition and the overall level of preventative maintenance appeared to be good.

Partner notes the report also excludes costs for systems or components that are reported to be tenant responsibility to maintain and replace, that are generally associated with the normal operation of the subject within the marketplace, for work that is cosmetic or decorative, for work that is being conducted for warranty transfer purposes, and routine maintenance activities. Partner stated that there are no issues observed or reported that indicate the need for additional investigations.

Immediate repair items consist of material existing or potentially unsafe conditions, material code violations, or any other physical deficiencies that if left uncorrected would be expected to result in or contribute to the failure of critical elements or systems within one year or may result in significant increase in remedial costs. Short-Term repair items are items or condition that

may not required immediate action, but should be conducted on a priority basis above and beyond routine maintenance.

Immediate Repairs (totaling \$46,350)

- The property does not provide ADA parking spaces. The installation of one (1) ADA compliant parking space to include access aisle and vertical signage to include "Van Access" vertical signage will be required to comply with ADAAG. Cost estimate \$450.
- The public men's restroom urinal was measured at 24 inches AFF. To comply with current ADAAG requirements lowering the urinal to a maximum height of 17 inches AFF will be required. Cost estimate \$350.
- The men's public restroom was observed with the side grab bar at the toilet measuring 35 inches from the adjoining wall. Repositioning of the side grab bar to extend to a minimum of 54 inches from the adjoining wall will be required to comply with current ADAAG requirements. Cost estimate \$250.
- Based upon the observed conditions, the subject property does not appear to fully meet the accessibility requirements of Section 504/UFAS. Per Section 504/UFAS regulations, 5% of the dwelling units (in this instance 9 total units) must be designed for full accessibility. Cost estimate \$40,500.
- Based upon the observed conditions, the subject property does not appear to fully meet the accessibility requirements of Section 504/UFAS. Per Section 504/UFAS regulations, 2% of the dwelling units (in this instance 4 total units) must be further modified in order to meet the "sensory impairment" dwelling unit requirement. Cost estimate \$4,800.

Short-Term Repairs (totaling \$1,927,000)

- The existing plaza, catwalk, bridge and rails were observed to be in fair overall condition and aged. Partner recommends refurbishing of the plaza, catwalk, bridge and rails in the coming year. Cost estimate \$100,000.
- According to property management, the date of the last repainting of the subject was unknown. Façade repairs, caulking and recoating should be considered in the upcoming year. Cost estimate \$570,000.



- Windows were reported and observed to be in fair overall condition and reported as being original to the date of construction (1970). Replacement of windows should be considered in the upcoming year. Cost estimate \$900,000.
- The roofing system appear to be nearing the end of its service life. Partner recommends replacement of the roofing system in the upcoming year. Cost estimate \$260,000.
- Main entry glazed storefront system appears aged and approaching the end of its useful life. Replacement of the glazed storefront system is anticipated in the coming year. Cost estimate \$20,000.
- Exterior glass doors (double and single doors) where observed to be in fair overall condition. Replacement of the exterior doors is recommended in the coming year. Cost estimate \$6,000.
- Chiller unit is reportedly 20 years old and refurbishment of the chiller unit is recommended in the coming year. Cost estimate \$6,000.
- Cooling Tower unit is reportedly 20 years old and re-coring of the cooling tower is recommended in the coming year. Cost estimate \$20,000.
- The elevator cabs appear to be in fair condition. Refurbishment of the elevator cabs is recommended in the coming year. Cost estimate \$15,000.
- Update worn finishes in office, congregation and common areas. Cost estimate \$30,000.

Partner also provided a 15-year replacement reserve analysis in the PCR. Replacement reserve costs are typically defined as predictable and in some instances to be recurring within a specified evaluation period. Based on the 15-year replacement reserve projection prepared by Partner, the property will need to fund reserves in an amount equal to \$1,366,439 or \$6,073 per unit per year in inflated dollars (2.5% per year inflation factor).

**Partner completed a Plan and Cost Analysis with an updated replacement reserve schedule with the scope of the proposed rehabilitation factored into their analysis. Partner's updated schedule estimates the need for an inflated annual reserve amount of ?? per unit. Seltzer has utilized \$300 per unit per year in the operating pro forma in this report, in accordance with the minimum requirement per the Rule.**

Pre-Construction Analysis: SMG received a Plan and Cost Analysis ("PCA") from Partner dated July 7, 2021.

The PCA report states that an electronic set of Architectural, Structural, Mechanical, Plumbing and Electrical were provided and review. The plans were dated June 7, 2021, although the entire set of drawings were neither signed nor sealed by their respective professionals. Partner notes that the provided drawings are a work in progress, organized and contain adequate detail for the current stage of the Development and that it is expected that the drawings will undergo minor modifications to incorporate likely comments and requirements during the permit review process. Partner notes that the drawings did not identify the applicable codes and regulations that govern the proposed Development and recommends that the Architect identify the codes and regulations.

Partner included requirements in connection to the Americans with Disabilities Act ("ADA") as well as the Fair Housing Amendments Act ("FHAA"), Section 504 and the Uniform Federal Accessibility Standard ("UFAS") guidelines. Partner states that the drawings show compliant configurations in connection to ADA guidelines. The FHAA does not apply to this Development as it was built and occupied prior to March 13, 1991. Partner recommended the following items in connection to Section 504 and UFAS guidelines:

- The drawings reflect 7 accessibility units will be provided, however the schedule of values indicates that 9 units, or 5.1% of the total units, will be upgraded to ADA accessible units. Partner recommends clarification regarding the discrepancy.
- The drawings do not address hearing/vision-impaired units ("HVI"); the drawings should identify and locate a minimum of 4 HVI units or 2.3% of the total units. Partners recommends clarification regarding the accessibility compliance of the Development.

The total construction cost provided by ETC total 9,851,231, or \$77.26 per square foot of building area and \$55,657 per unit. Partner's estimated costs are \$10,046,676, or \$78.79 per square foot of building area and \$56,761 per unit, a variance of approximately 2.0%. Partner states that this variance is within an acceptable range when performing conceptual cost analysis reports.

Partner concludes that the construction schedule appears to be reasonable, assuming cooperation of the weather during the hurricane

season, which is from June to September. Partner also notes that the construction schedule reflects a completion date of November 25, 2022, a date which is 56 days beyond the October 1, 2022 substantial completion date currently established in the construction contract. Partner expects that the final construction schedule will conform to the commencement/completion date stipulated in the executed contract.

In the PCA report, Partner provides for number of items requiring clarification and others needing to be updated. These items primarily consist of those noted above as well as additional executed documents to be provided. Receipt and satisfactory review of the Final PCA issued by Partner reflecting no outstanding items or issues is a condition to close.

Site Inspection: Lina Arcila, of Seltzer Management Group, Inc., conducted a site visit on April 23, 2021 for the above-referenced Development. St. Andrews Residences is a rehab development and consists of 177 units with 102 zero bedroom/one bathroom, 70 one bedroom/one bathroom and 5 one bedroom/two bathrooms units in one single 15-story high rise building. The property is located in Palm Beach County.

The Development is located in downtown West Palm Beach with the intracoastal Waterway and Palm Beach on the east side. North of site there are a couple of fast food restaurants, retail stores, the Good Samaritan Hospital and residential homes. West of site there are

convenience stores, restaurants, hotels, convention centers, apartment communities, the West Palm Beach water treatment plant, parks and access to the Florida Turnpike and state road I-95. On the South of site, there is the West Palm Beach International airport, Palm Beach Atlantic University, rental apartment buildings, residential homes, churches, schools and golf clubs. St Andrews Residences is connected to St. James Residence, a tax elderly community.

There are three affordable senior tax credit communities (Joseph's Village Apartment, Pinnacle Palms and Ahepa) within five miles of site.

There does not appear to be any apparent adverse conditions that would negatively affect the Development nor impair the ability to attract tenants.

**Borrower Information**

Borrower Name: SA Residences Preservation, L.P. ("Borrower" or "Applicant")

Borrower Type: Florida Limited Partnership

Contact Information: David Pearson

Telephone: (212) 801-3738

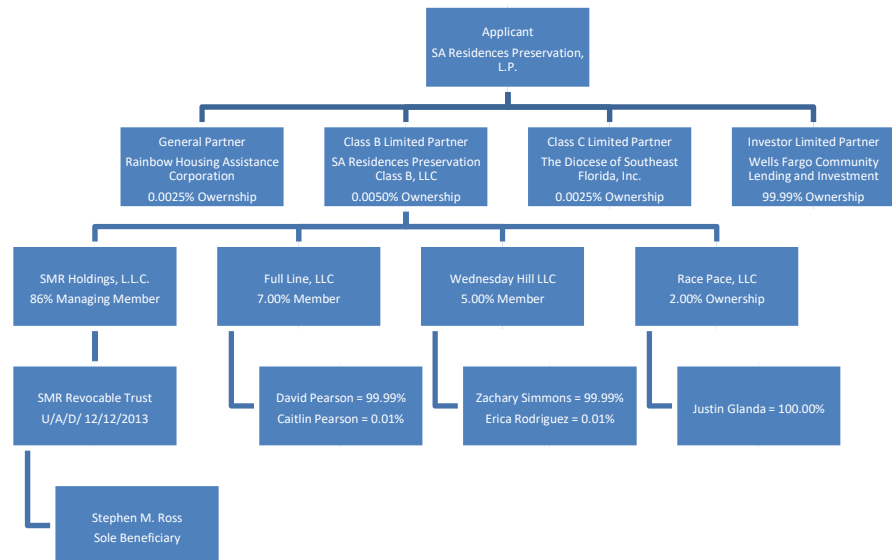
E-Mail: [dpearson@related.com](mailto:dpearson@related.com)

Address: 30 Hudson Yards, 72<sup>nd</sup> Floor  
New York, NY 10001

Federal Employer ID: 86-1757104

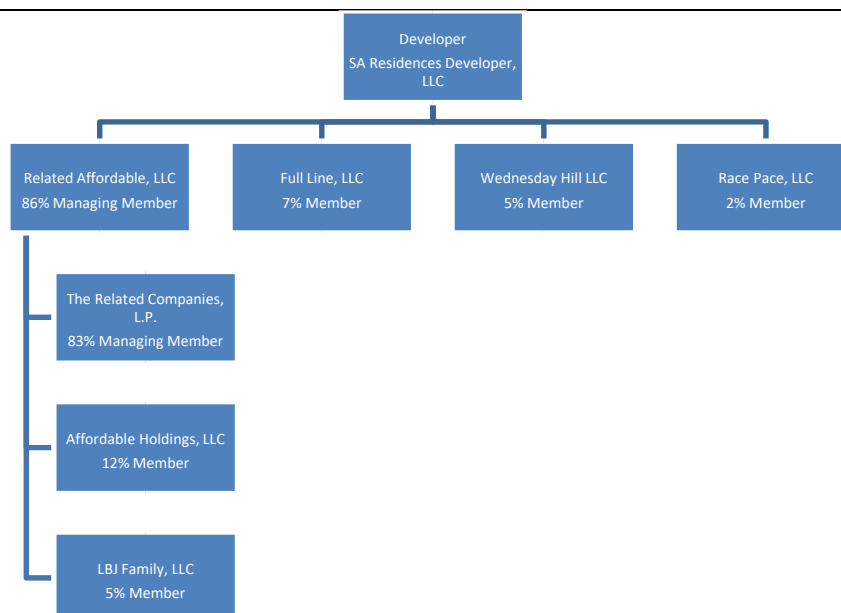
Ownership Structure: SA Residences Preservation, L.P. is a Florida Limited Partnership formed January 22, 2021. The Agreement of Limited Partnership has been provided and the current Certificate of Status was verified with the Secretary of State. The General Partner, with 0.0025% ownership, is Rainbow Housing Assistance Corporation ("Rainbow"), a California NotFor-Profit Corporation registered to transact business in Florida on March 21, 2003. The Articles of Incorporation have been provided and the current Certificate of Status was verified with the Secretary of State. The Class B Limited Partner is SA Residences Preservation Class B, LLC ("SA Class B") with 0.0050% ownership and the Class C Limited Partner is The Diocese of Southeast Florida, Inc. ("Diocese") with 0.0025% ownership. SA Class B is a New York Limited Liability Company formed January 22, 2021. The Operating Agreement for SA Class B has been provided.

Diocese is a Florida Not-For-Profit Corporation formed January 14, 1970. The Constitution and Canons was provided and the current Certificate of Status was verified with the Secretary of State.



The current General Partner, which owns 0.01% of the Borrower entity is Rainbow. The current Investor Limited Partner, which owns 99.99% of the Borrower entity, is SA Class B. Per a June 1, 2021, letter of intent ("LOI"), WFCLI or an affiliate, will purchase the 99.99% ownership interest in the Subject Development concurrent with or prior to the closing of the construction/permanent loan.

The Developer of St. Andrews Residences is SA Residences Developer, LLC ("SA Developer"), a New York Limited Liability Company registered to transact business in Florida January 25, 2021. The Operating Agreement has been provided and the current Certificate of Status has been verified with the Secretary of State.

**Experience:**

The Applicant, SA Class B and SA Developer are single purpose entities created expressly to acquire, own and operate real property, and have no development experience, meaningful operating or credit history, financial statements, business references, contingent liabilities or previous tax returns.

Rainbow is a national nonprofit organization committed to creating and preserving quality affordable multifamily rental housing and resident services for low- and moderate-income families. From the East Coast to the West Coast, Rainbow serves several thousand units by preserving and protecting rental housing for working families. By partnering with financial institution and private investors they are able to reposition affordable housing communities in difficult areas. Committed to providing supportive services and resources, Rainbow offers a “menu of services” tailored to each property, following the administration of a

resident survey to assess and prioritize areas of greatest need. Through case management, support groups, vocational training, life skills and other support services, residents are able to live in quality, safe, affordable housing and live stable and productive lives.

The experience of SA Developer belongs to The Related Companies, L.P. (“TRC”). TRC was founded in 1972 and is currently one of the largest owners of affordable multifamily apartment complexes in the country. Through

its various affiliates, TRC oversees more than 1,100 properties in 47 states. TRC is fully integrated across its three divisions: development, management and financial services. Related Affordable, LLC ("RA") is a wholly-owned subsidiary of TRC, which was formed with the express purpose of growing TRC's affordable housing development business by acquiring, recapitalizing and preserving existing low- and moderate-income properties across the country. To date, RA has purchased over 90 affordable housing properties consisting of more than 14,000 units, with a total development value in excess of \$1.3 billion. RA oversees a portfolio of approximately 250 properties, consisting of over 38,000 units.

Credit Evaluation: A comprehensive business credit report for Rainbow dated July 2, 2021 reflects minimal credit activity and no adverse credit history.  
A comprehensive business credit report for the Diocese dated July 2, 2021 reflects minimal credit activity and no adverse credit history.

A comprehensive business credit report for SMR Holdings, LLC dated July 2, 2021 reflects no credit history, adverse or otherwise.

A comprehensive business credit report for The Related Companies, L.P. dated July 6, 2021 reflects satisfactory credit history with minor late payment activity. One open collection was noted as well as 19 tax liens. There were 65 UCC filings shown.

Banking/Trade References: Banking and trade references for The Related Companies, L.P. reported satisfactory depository and payment relationships.

Financial Statements: *The Related Companies, L.P. and Subsidiaries:*

Cash and Cash Equivalents	\$ 1,013,738,000
Total Assets:	\$12,084,403,000
Total Liabilities:	\$10,765,593,000
Net Worth:	\$ 1,318,810,000

Financial data is from a December 31, 2020 audited financial statement prepared by KPMG LLP. Assets other than cash consist of real estate, accounts receivable, investments, escrow deposits and other assets. Liabilities consist of mortgage, notes and loans payable and accounts payable. Seltzer reviewed the 2018 and 2019 U.S. Income Tax Returns and the 2020 Extension request.

Contingent Liabilities: A Statement of Financial/Credit affairs dated April 21, 2021, was provided for Rainbow reflecting no contingent liabilities.

**Summary:**

A Statement of Financial/Credit Affairs dated April 21, 201, was provided for TRC reflecting contingent liabilities, litigation, and a deed in lieu of foreclosure. A schedule of contingent liabilities dated March 31, 2021, for TRC reflects contingent liabilities in the low ten figures for completion guarantees, low eight figures for operating deficit guarantees and mid nine figures for payment guarantees.

Based upon the information provided, Rainbow and TRC, through various corporate and partnership entities, appear to have the experience and financial resources to rehabilitate and operate the Subject Development.



**Guarantor Information**

Guarantor Name: SA Residences Preservation, L.P., Rainbow Housing Assistance Corporation, SA Residences Preservation Class B, LLC, and The Related Companies, L.P.

Address: 30 Hudson Yards, 72<sup>nd</sup> Floor  
New York, NY 10001

Contact Information: David Pearson  
Telephone: (212) 801-3738  
E-Mail: [dpearson@related.com](mailto:dpearson@related.com)

Nature of the Guarantee: The Guarantors will sign a HFAPBC Fee Guarantee and Environmental Indemnity Agreement.

Financial Statements: Please refer to the Borrower Information section of this report.

Contingent Liabilities: Please refer to the Borrower Information section of this report.

Summary: Based upon the financial information provided, the Guarantors appear to have adequate financial strength to serve as the guarantors for this Development.

**Syndicator Information**

Syndicator Name: Wells Fargo Community Lending and Investment ("WFCLI")

Contact Person: Jennifer Malboeuf Crampton

Telephone: (617) 603-4229

E-mail: [Jennifer.crampton@wellsfargo.com](mailto:Jennifer.crampton@wellsfargo.com)

Address: 125 High Street, 15<sup>th</sup> Floor  
Boston, MA 02110

Experience: WFCLI operates as a subsidiary of Wells Fargo & Company ("WFB"). WFB is a successor entity to Wachovia Community Lending and Investment ("Wachovia"). Wachovia's institutional capital markets and investment banking business arose from the merger of Wachovia and First Union Bank and includes the Wachovia Tax Credit Investment Group. First Union Bank had bought Bowles Hollowell Conner & Co. on April 30, 1998 adding to its merger and acquisition, high yield, leveraged finance, equity underwriting, private placement, loan syndication, risk management, and public finance capabilities. Wachovia Capital Markets, doing business as Wachovia Securities, provides corporate and investment banking services. Wachovia Securities was acquired by WFB in late 2008 as part of that company's purchase of former parent Wachovia Corporation. WFB provides financial and corporation advisory services, private capital, debt private placement, merges and acquisitions advice, underwriting, and equity investing. It also offers real estate financing, risk management services, and structured products such as asset-backed and mortgagebacked securities. WFB possesses expertise in the retail, defense, aerospace, utilities, financial services, healthcare, media and technology industries. WFB has been helping developers and investors take advantage of tax credit opportunities since 1993. With over \$11.3 billion of equity invested in more than 400 low-income and historic tax credit properties, WFB is a long-term partner and an industry leader with a broad array of equity and debt solutions.

Financial Statements: The Q1 2021 Form 10-Q can be viewed via the internet at [www.wellsfargo.com](http://www.wellsfargo.com) or [www.sec.gov](http://www.sec.gov). Wells Fargo reports Total Assets of \$1.959 trillion and Shareholders' Equity of \$188.348 billion.

Summary: WFCLI has demonstrated that it has the experience and financial strength to serve as the syndicator for this Development.

**General Contractor Information**

General Contractor Name: Pyramid ETC Companies LLC dba ETC Companies, LLC ("ETC")  
Type: A New Jersey Limited Liability Company registered to transact business in Florida  
Contact Person: Alexander H. Bowersox, Vice President of Construction  
Telephone: (561) 705-1690  
E-mail: [abowersox@etcbuild.com](mailto:abowersox@etcbuild.com)  
Address: 7700 Congress Ave., Suite 3112  
Boca Raton, FL 33487  
Experience: ETC was founded in 2003 with focused efforts on the rehabilitation and new construction of large multifamily affordable housing complexes. ETC's partners have a combined 60+ years of experience in all disciplines of real estate development and construction. ETC Companies, LLC is an alternative name according to the New Jersey Department of the Treasury Registration of Alternate Name, Limited Liability Company form executed as of November 14, 2003. ETC Companies has renovated or constructed approximately 29,500 units in 80 developments located in Massachusetts, New Jersey, New York, Connecticut, Florida, Maryland, Georgia, West Virginia, Virginia, Michigan, Tennessee, Delaware and North Carolina. ETC reflects approximately 4,000 affordable housing units currently under construction with eight of the properties (1,406 total units) being located in Florida.  
Robert Scott Butwin holds a Florida Certified General Contractor License No. CGC1511385, which expire August 31, 2022.  
Credit Evaluation: A July 2, 2021, comprehensive business credit report on ETC reflected no significant adversities. Minor late payments were reflected and public record data reflected no bankruptcies, judgments, tax liens or UCC filings.  
Banking/Trade References: Banking and trade references for ETC are satisfactory.  
Financial Statements: ETC has provided a Surety Letter in lieu of financial statements.

**BOND CREDIT UNDERWRITING REPORT****SMG**

Surety: Applicant provided an April 6, 2021, letter from Wharton Surety Consultants, LLC, of Wayne, Pennsylvania, representing it has previously provided payment and performance bonds on behalf of ETC through Zurich American Insurance Company ("Zurich"). Currently, Zurich is willing to entertain bond requests in the \$300 million range for single projects with a \$500 million aggregate program for ETC. Zurich has an A+ (Superior) rating and a Financial Size Category of XV (\$2 billion or greater) by A.M. Best Company, meeting the Rules.

Summary: SMG recommends that ETC be accepted as the General Contractor.

**Property Manager Information**

Property Manager Name: TRG Management Company LLP ("TRG")

Type: A Florida Limited Liability Partnership

Contact Information: Keri Glover, Regional Manager

Telephone: (305) 442-8628

E-mail: [kglover@relatedgroup.com](mailto:kglover@relatedgroup.com)

Address: 2200 North Commerce Parkway, Suite 100  
Weston, Florida 33326

Experience: TRG, is an affiliate of the The Related Companies, L.P., and was formed in 1984 for the primary purpose of managing various forms of multifamily housing. It registered with the State of Florida on August 1, 2013. TRG has managed more than 70,000 residential units and currently employs over 250 real estate management professionals that manage more than 80 properties.

Management Agreement: The Applicant submitted an undated and unexecuted Management Agreement between the Applicant and TRG. The Agreement states that the term shall commence as of the date of the executed Agreement and shall continue for a term of one year with automatic renewals up to five years, or until such time as either the Applicant or TRG elects to terminate the Agreement.

TRG shall receive compensation for its services in managing the property as follows: Property Management Fee equal to \$47 per unit per month and a Compliance Reporting Fee equal to \$4 per unit per month. If requested by Owner in writing, the Manager may receive a market rate construction supervisory fee for capital repairs and replacements in excess of \$25,000, such fee to be approved by Owner in accordance with local custom and fee shall not exceed 5% of the actual construction costs incurred for such capital repair and replacement.

Management Plan: The Applicant provided SMG a copy of a Management Plan for the Development that appears satisfactory.

Summary: The Asset Management Department of FHFC will need to approve the selection of TRG for St. Andrews Residences prior to the commencement of lease-up activity pursuant to Rule Chapter 67-53. Continued approval will be contingent upon ongoing satisfactory performance.

**Exhibit 1**  
**St. Andrews Residences**  
**15 Year Income and Expense Projection**

[illegible]



Cash Flow After Debt Service	\$197,828	\$217,763	\$237,777	\$257,865	\$278,016	\$298,222	\$318,474	\$338,762	\$359,075	\$379,403	\$399,735	\$420,058	\$440,359	\$460,626	\$480,844
Debt Service Coverage Ratios															
DSC - First Mortgage plus Fees	1.149	1.164	1.179	1.194	1.209	1.224	1.240	1.255	1.270	1.285	1.301	1.316	1.331	1.346	1.362
DSC - All Mortgages and Fees	1.149	1.164	1.179	1.194	1.209	1.224	1.240	1.255	1.270	1.285	1.301	1.316	1.331	1.346	1.362
Financial Ratios															
Operating Expense Ratio	43.3%	43.7%	44.1%	44.5%	44.9%	45.3%	45.7%	46.1%	46.5%	46.9%	47.4%	47.8%	48.2%	48.6%	49.1%
Break-Even Ratio	90.9%	90.3%	89.8%	89.2%	88.7%	88.3%	87.8%	87.4%	86.9%	86.5%	86.2%	85.8%	85.5%	85.1%	84.8%



## COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: St. Andrews Residences

DATE: July 9, 2021

In accordance with applicable Program Rule(s), the Borrower is required to submit the information required to evaluate, complete, and determine its sufficiency in satisfying the requirements for Credit Underwriting to the Credit Underwriter in accordance with the schedule established by the HFAPBC. The following items must be satisfactorily addressed. "Satisfactory" means that the Credit Underwriter has received assurances from third parties unrelated to the Borrower that the transaction can close within the allotted time frame. Unsatisfactory items, if any, are noted below and in the "Issues and Concerns" section of the Executive Summary.

CREDIT UNDERWRITING REQUIRED ITEMS:	STATUS	NOTE
	Satis. /Unsatis.	
1. The Development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satisfactory	
2. Final site plan and/or status of site plan approval.	Satisfactory	
3. Permit Status.	Satisfactory	
4. Pre-construction analysis ("PCA").	Satisfactory	1
5. Survey.	Satisfactory	
6. Complete, thorough soil test reports.	Satisfactory	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satisfactory	
8. Market Study separate from the Appraisal.	Satisfactory	
9. Environmental Site Assessment – Phase I and/or Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satisfactory	

10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in the Rule for credit enhancers, Borrower, general partner, principals, guarantors and General Contractor.	Satisfactory	
--	--------------	--

## EXHIBIT 2 – PAGE 1

11. Resumes and experience of Borrower, General Contractor and management agent.	Satisfactory	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satisfactory	
13. Management Agreement and Management Plan.	Satisfactory	2
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	Satisfactory	
15. Firm commitment letter from the syndicator, if any.	Satisfactory	
16. Firm commitment letter(s) for any other financing sources.	Satisfactory	
17. Updated sources and uses of funds.	Satisfactory	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satisfactory	
19. Fifteen-year income, expense, and occupancy projection.	Satisfactory	
20. Executed general construction contract with “not to exceed” costs.	Satisfactory	3
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satisfactory	
22. Any additional items required by the credit underwriter.	Satisfactory	4

## NOTES AND APPLICANT’S RESPONSES:

1. Seltzer has received the draft Plan and Cost Analysis (“PCA”) prepared by Partner Engineering & Science, Inc. (“Partner”). Receipt and satisfactory review of the final PCA is a condition to close.
2. Seltzer has received a draft, undated and unexecuted, Management Agreement between Applicant and TRG Management Company, LLP. A fully executed Management Agreement reflecting terms not substantially different from those utilized in this report is a condition to close.
3. Seltzer has received a draft, unexecuted, Construction Contract between Applicant and Pyramid ETC Companies LLC. A fully executed Construction Contract reflecting terms not substantially different from those utilized in this report is a condition to close.
4. Below are additional items:

- The HAP Contract reflecting the HUD approved PBV rents was not provided during underwriting. Seltzer was provided the Rent Comparability Study for which the HAP rents are based on however receipt and satisfactory review of the approved HAP Contract reflecting rents not substantially different from those utilized in this report is a condition to close.
- Seltzer has been provided a draft, undated and unexecuted, Easement Agreement between St. James Residences and the Applicant. A fully executed Easement Agreement reflecting terms not substantially different from those utilized in this report is a condition to close.

**EXHIBIT 2 – PAGE 2**

## HC Allocation Calculation

Section I: Qualified Basis Calculation	
Development Cost	\$46,351,166
Less Land Cost	(\$2,783,019)
Less Federal Funds	\$0
Less Other Ineligible Cost	(\$2,188,905)
Less Disproportionate Standard	\$0
Acquisition Eligible Basis	\$26,216,037
Rehabilitation Eligible Basis	\$15,163,205
Total Eligible Basis	\$41,379,242
Applicable Fraction	100.0%
DDA/QCT Basis Credit	100.00%
Acquisition HC Percentage	4.00%
Rehabilitation HC Percentage	4.00%
Annual HC on Acquisition	\$1,048,641
Annual HC on Rehabilitation	\$606,528
Annual Housing Credit Allocation	\$1,655,170

### Notes to the Qualified Basis Calculation:

- Other Ineligible Costs primarily include a portion of site work, a portion of accounting fees, FHFC administrative fees, FHFC and HFAPBC application and underwriting fees, HC compliance fees, a portion of legal fees – organizational costs (Applicant estimate), Market Study, marketing and advertising, a portion of survey expenses, a portion of title insurance, permanent loan application, origination fees, HFAPBC Bond cost of issuance, and all reserves.

2. The Borrower committed to a set aside of 100%. Therefore, SMG has utilized an Applicable Fraction of 100.00%.
3. Per the Application, this Development is not located in a Difficult to Develop Areas or a Qualified Census Tract. Therefore, the 130.00% basis credit has not been applied.
4. Per the FY 2021 Omnibus Consolidated Appropriations Act passed by Congress as of December 21, 2020, a permanent 4% minimum HC rate was established. For purposes of this report, a HC percentage of 4.00% has therefore been applied.

Section II: Gap Calculation	
Total Development Cost (Including Land and Ineligible Costs)	\$46,351,166
Less Mortgages	(\$26,000,000)
Less Grants	\$0
Equity Gap	\$20,351,166
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.9900
HC Required to Meet Gap	\$20,558,789
Annual HC Required	\$2,055,879

*Notes to the Gap Calculation:*

1. Mortgages include the First Mortgage provided by Wells Fargo / Fannie Mae.
2. HC Syndication Pricing and Percentage to Investment Partnership are based upon the June 1, 2021 letter of intent from WFCL.

Section III: Tax-Exempt Bond 50% Test	
Total Depreciable Cost	\$41,379,242

**BOND CREDIT UNDERWRITING REPORT****SMG**

Plus Land Cost	\$2,783,019
Aggregate Basis	\$44,162,261
Tax-Exempt Bond Amount	\$26,000,000
Less Debt Service Reserve	\$0
Less Proceeds Used for Costs of Issuance	\$0
Plus Tax-exempt GIC earnings	\$0
Tax-Exempt Proceeds Used for Building and Land	\$26,000,000
Proceeds Divided by Aggregate Basis	58.87%

**Notes to 50% Test:**

1. SMG estimates the Bond amount to be 58.87% of Depreciable Development Costs plus Land Acquisition Costs. If, at the time of Final Cost Certification, the Bond Amount is less than 50%, Developer Fees will have to be reduced by an amount to ensure compliance with the 50% Test. That may, in turn, result in a reduction to HC Equity.

<b>Section IV: Summary</b>	
HC per Applicant Request	
HC per Qualified Basis	\$1,655,170
HC per Gap Calculation	\$2,055,879
Annual HC Recommended	\$1,655,170

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*Notes to the Summary:*

1. The Annual HC Recommended is based on the Qualified Basis Calculation.

# **Housing Financing Authority of Palm Beach County, Florida**

*Credit Underwriting Report*

## **St. James Residences**

Multifamily Rental Housing Bond Program

Section A      Report Summary

Section B      Supporting Information and Schedules

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*Prepared by*

***Seltzer Management Group, Inc.***

*Draft Report*

*July 9, 2021*

**SMG**

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**ST. JAMES RESIDENCES**

**TABLE OF CONTENTS**



	<b><u>Page</u></b>
<b>Section A</b> Report Summary	
➤ Recommendation	A1-A7
➤ Overview	A8-A10
➤ Uses of Funds	A11-A18
➤ Operating Pro Forma	A19-A21
 <b>Section B</b>	
Supporting Information and Schedules	
➤ Additional Development and Third Party Information	B1-B9
➤ Borrower Information	B10-B13
➤ Guarantor Information	B14 ➤ Syndicator
Information	B15 ➤ General Contractor
Information	B16
➤ Property Manager Information	B17
 <b>Exhibits</b>	
15 Year Pro Forma	1
Completeness and Issues Checklist	2 1-2
HC Allocation Calculation	3 1-3

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**JULY 9, 2021**

**SMG**

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**Section A**  
**Report Summary**

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**JULY 9, 2021**

## Recommendation

Seltzer Management Group, Inc. ("SMG" or "Seltzer") recommends the Housing Finance Authority of Palm Beach County, Florida ("HFAPBC" or "Authority") fund a Tax-Exempt Multifamily Revenue Bond ("Bonds") in the amount of \$34,000,000 to St. James Residences ("Development") for construction and permanent financing.

DEVELOPMENT & SET-ASIDES														
Development Name:		<u>St. James Residences</u>												
RFA/Program Numbers:		_____ / _____												
Address:		<u>400 S Olive St</u>												
City:		<u>West Palm Beach</u>	Zip Code:		<u>33401</u>	County:		<u>Palm Beach</u>	County Size:		<u>Large</u>			
Development Category:		<u>Acquisition/Rehab</u>					Development Type: <u>High Rise</u>							
Construction Type:		<u>Masonry</u>												
Demographic Commitment:														
Primary:		<u>Elderly: 55+ or 62+</u>					for		<u>100%</u>	of the Units				
Secondary:		_____					for		_____	of the Units				
Unit Composition:														
# of ELI Units:		<u>0</u>	ELI Units Are Restricted to		_____ AMI, or less.	Total # of units with PBRA?		<u>148</u>						
# of Link Units:		<u>0</u>	Are the Link Units Demographically Restricted?		<u>No</u>	# of NHTF Units:		<u>0</u>						

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	148	544	60%			\$987	\$0	\$987	\$1,800	\$1,800	\$1,800	\$1,800	\$3,196,800
		148	80,512											\$3,196,800

Buildings: Residential - 1 Non-Residential - 0  
 Parking: Parking Spaces - 49 Accessible Spaces - 0

HFAPBC Bond Program Commitment: The proposed development must set aside 40% (60) units at or below 60% of the

Area Median Income	Program	% of Units	# of Units	% AMI	Term (Years)
	Bonds	40.0%	60	60%	17
	HC	100.0%	90	60%	30

("AMI"), for a period of 17 years. Set Asides:

## BOND CREDIT UNDERWRITING REPORT

SMG

Absorption Rate 20 units per month for 0.0 months.Occupancy Rate at Stabilization: Physical Occupancy 98.00% Economic Occupancy 98.00%  
Occupancy Comments OccupiedDDA: No QCT: No Multi-Phase Boost: No QAP Boost: No  
Site Acreage: 0.760 Density: 194.7368 Flood Zone Designation: AE  
Zoning: FWD-5; Flagler Waterfront District 5 Flood Insurance Required?: Yes

DEVELOPMENT TEAM						
Applicant/Borrower:		SJ Residences Preservation, L.P.				% Ownership
	General Partner	Rainbow Housing Assistance Corporation				0.0025%
	Limited Partner	SJ Residences Preservation Class B, LLC				0.0050%
	Limited Partner	The Diocese of Southeast Florida, Inc				0.0025%
	Limited Partner	Wells Fargo Affordable Housing Community Development Corporation				99.9900%
Construction Completion Guarantor(s):						
	CC Guarantor 1:	SA Residences Preservation, L.P.				
	CC Guarantor 2:	Rainbow Housing Assistance Corporation				
	CC Guarantor 3:	SJ Residences Preservation Class B, LLC				
	CC Guarantor 4:	The Related Companies, L.P.				
Operating Deficit Guarantor(s):						
	OD Guarantor 1:	SA Residences Preservation, L.P.				
	OD Guarantor 2:	Rainbow Housing Assistance Corporation				
	OD Guarantor 3:	SJ Residences Preservation Class B, LLC				
	OD Guarantor 4:	The Related Companies, L.P.				
Bond Purchaser		Public Offering				
Developer:		SJ Residences Developer LLC				
	Principal 1	The Related Companies, L.P.				
General Contractor 1:		Pyramid ETC Companies LLC				
Management Company:		TRG Management Company, LLC				
Syndicator:		Wells Fargo Community Lending and Investment				
Bond Issuer:		Housing Finance Authority of Palm Beach County, Florida				
Architect:		R.S. Granoff Architects, P.C.				
Market Study Provider:		Novagradac Consulting LLP				
Appraiser:		Novagradac Consulting LLP				
PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	First					
Lender/Grantor	HFAPBC / Wells Fargo	0	0	0	0	0
Amount	\$34,000,000	\$0	\$0.00	\$0.00	\$0.00	\$0.00

## BOND CREDIT UNDERWRITING REPORT

SMG

Underwritten Interest Rate	3.485%	0.00%	0.00%	0.00%	0.00%	0.00%
Loan Term	17.0					
Amortization	35.0					
Market Rate/Market Financing LTV	112.2%					
Restricted Market Financing LTV	74.6%					
Loan to Cost - Cumulative	54.5%					
Debt Service Coverage	1.133					
Operating Deficit & Debt Service Reserves	\$718,920					
# of Months covered by the Reserves	7.2					
Deferred Developer Fee	\$5,741,011					
As-Is Land Value	\$2,960,000					
As-Is Value (Land & Building)	\$45,600,000					
Market Rent/Market Financing Stabilized Value	\$30,300,000					
Rent Restricted Market Financing Stabilized Value	\$45,600,000					
Projected Net Operating Income (NOI) - Year 1	\$1,968,409					
Projected Net Operating Income (NOI) - 15 Year	\$2,384,341					
Year 15 Pro Forma Income Escalation Rate	2.00%					
Year 15 Pro Forma Expense Escalation Rate	3.00%					
Bond Structure	Fannie Mae - M. TEB Immediate Funding					
Housing Credit (HC) Syndication Price	\$0.99					
HC Annual Allocation - Qualified in CUR	\$2,302,777					
HC Annual Allocation - Equity Letter of Interest	\$2,290,662					

## CONSTRUCTION/PERMANENT SOURCES:

Source	Lender	Construction	Permanent	Perm Loan/Unit
Local HFA Bonds	HFAPBC / Wells Fargo	\$34,000,000	\$34,000,000	\$229,729.73
HC Equity	WFAH	\$17,915,267	\$22,677,554	\$153,226.72
Deferred Developer Fee	Developer	\$8,477,878	\$5,741,011	\$38,790.61
Net Operating Income	St. James Residences	\$1,306,500	\$0	\$0.00
Operating Deficit Reserve	WFAH	\$718,920	\$0	\$0.00

**BOND CREDIT UNDERWRITING REPORT****SMG**

<b>TOTAL</b>		\$62,418,565	\$62,418,565	\$421,747.06
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**Financing Structure:**

The Applicant submitted an Multifamily Rental Housing Bond Program Application to the HFAPBC. Wells Fargo Bank N.A. ("Wells Fargo") will provide first mortgage financing through the Fannie Mae Mortgage Backed Securities ("MBS") Pass-Through ("M. TEB") Program in the amount of \$34,000,000 for construction and permanent financing of the Development. The financing structure will be immediate funding/amortization, so the amount of the first mortgage will be the same for both the construction and permanent period.

**Changes from the Application:**

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the application?	X	
Are all funding sources the same as shown in the Application?		1
Are all local government recommendations/contributions still in place at the level described in the Application?	N/A	
Is the Development feasible with all amenities/features listed in the Application?	X	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	X	
Does the Applicant have site control at or above the level indicated in the Application?	X	
Does the Applicant have adequate zoning as indicated in the Application?	X	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	X	
Have the Development costs remained equal to or less than those listed in the Application?		2
Is the Development feasible using the set-asides committed to in the Application?	X	
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	X	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	

**BOND CREDIT UNDERWRITING REPORT****SMG**

HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?	X	
Is the Development in all other material respects the same as presented in the Application?	X	

The following are explanations of each item checked "No" in the table above:

1. The Application did not include Deferred Operating Reserves as a construction source. This source was included since the Operating Reserve will be fully funded following construction completion and stabilization.
2. Total Development Costs have increased by \$2,449,286, from \$59,969,279 to \$62,418,565, primarily due to increases in construction costs and general development costs.

These changes have no substantial material impact to the Bond recommendations for this Development.

Does the Development Team have any Florida Housing Finance Corporation ("FHFC") Financed Developments on the Past Due/Noncompliance Report?

Florida Housing's Past Due Report dated May 12, 2021 reflects the following past due item(s): None

Florida Housing's Asset Management Noncompliance Report dated June 9, 2020 reflects the following noncompliance item(s): None

This recommendation is subject to satisfactory resolution of any outstanding past due and/or noncompliance items prior to loan closing and the issuance of the annual HC allocation recommendation herein.

Strengths:

1. Within the market study, Novogradac Consulting LLP ("Novo") states that the subject site is of a size and configuration that appears to be well suited for multifamily development. Novo states the capture rates are low and indicates there is sufficient demand for the subject units and average occupancy for the comparables within the Developments' Primary Market Area ("PMA") is 98.5%.
2. Although the Applicant, Class B Limited Partner and Developer entities are newly formed, the principals of the Developer and the Management Company have sufficient experience and financial resources to develop and operate the proposed Development.
3. The Development will receive a Housing Assistance Payments ("HAP") contract Project Based Voucher Rents ("PBRA") on all 148 units. The contract rents exceed the maximum allowable HC rents for all unit types, resulting in an increase to gross potential income.

Other Considerations: None

Waiver Requests/Special Conditions: None

Additional Information:

1. The United States is currently under a national emergency due to the spread of the virus known as COVID-19. The extent of the virus' impact to the overall economy is unknown. More specifically, it is



unknown as to the magnitude and timeframe the residential rental market (e.g. absorption rates, vacancy rates, collection losses, appraised value, etc.) and the construction industry (e.g. construction schedules, construction costs, subcontractors, insurance, etc.) will be impacted. Recommendations made by Seltzer in this report, in part, rely upon assumptions made by third-party reports that are unable to predict the impacts of the virus.

2. Seltzer has been provided a draft, undated and unexecuted, Easement Agreement between the Applicant and St. Andrews Residences. The easement notes that the Properties ("St. James Residences and St. Andrews Residences") will grant a non-exclusive perpetual easement for vehicular and pedestrian ingress and egress over, across, and through the driveways, sidewalks, parking lot and skybridge construction within the Properties, and for the use and enjoyment of the exterior and interior amenities construction on Properties now or in the future.

Each of the parties agrees to maintain the driveways, sidewalks, and recreational facilities within its respective property for the joint use by the parties.

Parking: It is acknowledged that there are approximately 77 parking spaces on the St. Andrews Residences Property and approximately 49 parking spaces on the St. James Residences Property, for an aggregate of 126 parking spaces. These parking spaces are allocated to occupants of the Properties on the basis of a waiting list and are identified to occupants out of the aggregate number of spaces, without regard to the Property in which the particular occupant resides. St. Andrews Residences agrees to perform ordinary maintenance and repairs to the parking spaces located on both of the Properties, in good and serviceable condition for the joint use by the Parties, ordinary wear and tear, and occasional interruption due to routine or extraordinary maintenance or events beyond a Party's reasonable control. The Applicant shall pay to St. Andrews Residences a percentage share of the operating expenses arising from the maintenance and repair of the parking spaces. The Applicants' percentage share of the parking operating expense was not reflected in the draft. Seltzer recommends receipt of the final Easement Agreement and terms reflected.

Skybridge: It is acknowledged that a feature common to the Properties is a skybridge connecting the Properties to each other. The Applicant agrees to perform ordinary maintenance and repairs to the skybridge for the benefit of both of the Properties, in good and serviceable condition for the joint use thereof by the Parties, ordinary wear and tear, and occasional interruption due to routine or extraordinary maintenance or events beyond a Party's reasonable control. St. Andrews Residences shall pay to the Applicant a percentage share of the operating expenses arising from the maintenance and repair of the skybridge. St. Andrews Residences percentage share of the skybridge expense was not reflected in the draft. Seltzer recommends receipt of the final Easement Agreement and terms reflected.

#### Issues and Concerns:

1. Seltzer has received the draft Plan and Cost Analysis ("PCA") prepared by Partner Engineering & Science, Inc. ("Partner"). The PCA notes a number of items for which Partner is requesting clarification.

2. The Environmental Phase I noted a HREC in connection to the property. The provider, PAC, provided a recommendation that all monitoring wells associated with the HREC be properly abandoned and a Well Abandonment/Closure Report be submitted to FDEP PRP for approval.
3. Seltzer has received a draft, undated and unexecuted, Management Agreement between Applicant and TRG Management Company, LLP.
4. Seltzer has received a draft, unexecuted, Construction Contract between Applicant and Pyramid ETC Companies LLC ("ETC").
5. Seltzer has been provided a draft, undated and unexecuted, Easement Agreement between the Applicant and St. Andrews Residences.

Mitigating Factors:

1. Receipt and satisfactory review of the PCA prepared by Partner reflecting no outstanding items or issues is a condition to close.
2. Receipt and satisfactory review of documentation confirming that the monitoring wells are properly or have been properly abandoned is a condition to close. The Applicant will need to provide verification to HFAPBC that the Well Abandonment/Closure Report was completed and submitted to FDEP PRP.
3. Receipt and satisfactory review of the Final Management Agreement with terms and conditions not substantially different from the Management Agreement utilized herein is a condition to close. The Applicant has confirmed that a Final Management Agreement will be provided prior to closing.
4. Receipt and satisfactory review of the Final Construction Contract with terms and conditions not substantially different from the Construction Contract utilized herein is a condition to close. The Applicant has confirmed that a Final Construction Contract will be provided prior to closing.
5. Receipt and satisfactory review of the fully executed Easement Agreement reflecting terms not substantially different from those utilized in this report is a condition to close. Recommendation:

SMG recommends the HFAPBC issue Bonds in the amount of \$34,000,000 to the Applicant for the construction and permanent financing of the Development.

This recommendation is based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section B). The reader is cautioned to refer to these sections for complete information.

This recommendation is only valid for six months from the date of the report.

Prepared by:



Brian Barth  
Senior Credit Underwriter

Reviewed by:



Joshua Scribner  
Credit Underwriting Manager

## Overview

### Construction Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Construction Debt Service
First Mortgage	HFAPBC / Wells Fargo	\$35,100,000	\$34,000,000	\$34,000,000	3.485%	\$1,860,293
HC Equity	WFAH	\$20,525,000	\$22,715,000	\$17,915,267		
Deferred Developer Fee	Developer	\$3,004,779	\$4,571,638	\$8,477,878		
Net Operating Income	St. James Residences	\$1,339,500	\$1,306,500	\$1,306,500		
Deferred Operating Reserve	WFAH	\$0	\$0	\$718,920		
<b>Total</b>		<b>\$59,969,279</b>	<b>\$62,593,138</b>	<b>\$62,418,565</b>		<b>\$1,860,293</b>

### Proposed Bonds:

RBC Capital Markets, LLC ("RBC") provided a proposal dated April 10, 2021, proposing \$36,000,000 in taxexempt bonds be issued by HFAPBC. RBC will underwrite and market the Bonds via a Public Offering. The Bonds will initially be secured by cash collateralization and/or eligible investments until the Fannie Mae Mortgage-Backed Security ("MBS") is delivered to the Trustee. Thereafter, the Bonds will be secured by the Fannie Mae MBS.

Seltzer reviewed an April 29, 2021 letter from Wells Fargo for a permanent loan amount up to \$35,100,000 through the Fannie Mae M. TEB program. The interest rate is subject to an index rate and spread which as of April 22, 2021, the index rate was 2.125% and the spread was 1.360%, resulting in a total rate of 3.485%. The interest rate on the MBS will be locked upon the determination of the Pass-Through rate, which will be determined upon the sale of the Bonds by the municipal underwriter in the public market. Wells Fargo will provide a first mortgage loan under the Fannie Mae M. TEB Program. The M. TEB will be an immediate funding in the amount of \$34,000,000 to finance the acquisition and rehabilitation of the Development. This amount is based on a loan to value of 90%, as determined by Wells Fargo, and a minimum debt service coverage of 1.15 to 1.00.

The mortgage loan will close simultaneously with the Bond transaction. At closing, the mortgage loan proceeds, and any additional eligible funds that may be required, will be remitted to the bond trustee to hold as collateral for the Bonds. Following closing of the mortgage loan, lender's acquisition and its delivery to Fannie Mae, Fannie Mae will certify the mortgage loan for purchase and issue its MBS to the trustee. The trustee will simultaneously remit the mortgage loan proceeds to Fannie Mae to purchase the MBS. Applicant has elected to utilize Fannie Mae's MBS as collateral for the Bonds.

Terms of the M. TEB include monthly principal and interest payments based on an interest rate of 3.485%, which includes the 6 bps cost for the Cost of Issuance Reimbursement feature. The term of the debt is 204 months, or 17 years, with an amortization period of 420 months, or 35 years.

Annual payments of all applicable fees will be required. Fees include an annual Ongoing Issuer Fee equal to 15 bps on the original Bond amount and a Trustee Fee \$3,750.

Other Construction Sources of Funds:

Additional construction sources of funds for this Development consist of \$17,915,267 of HC Equity, deferred Developer Fees in the amount of \$8,477,878, Net Operating Income of \$1,306,500 and deferred Operating Reserves of \$718,920. See the Permanent Financing section below for details.

**Permanent Financing Sources**

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt
First Mortgage	HFAPBC / Wells Fargo	\$35,100,000	\$34,000,000	\$34,000,000	3.485%	35	17	\$1,682,682
HC Equity	WFCL	\$20,525,000	\$22,715,000	\$22,677,554				
Def. Developer Fee	Developer	\$4,344,279	\$5,878,138	\$5,741,011				
<b>Total</b>		<b>\$59,969,279</b>	<b>\$62,593,138</b>	<b>\$62,418,565</b>				<b>\$1,682,682</b>

First Mortgage - Bond Permanent Financing

Terms of the Bonds are detailed in the previous section.

Housing Credits Equity Investment:

In addition to the Bonds, the Applicant will apply to FHFC for Housing Credits.

Based upon a June 4, 2021 letter, Wells Fargo Affordable Housing Community Development Corporation ("WFAH") will purchase a 99.99% interest in the Applicant and provide HC equity as follows:

Capital Contributions	Amount	Percent of Total	When Due
1st Installment	\$10,658,450	47.00%	Upon Investors admission into the Applicant, anticipated on or before August 31, 2021
2nd Installment	\$1,814,204	8.00%	Later of (i) 25% construction completion and (ii) November 1, 2021
3rd Installment	\$3,628,409	16.00%	Later of (i) 50% construction completion and (ii) January 1, 2022
4th Installment	\$1,814,204	8.00%	Later of (i) 75% construction completion and (ii) April 1, 2022

5th Installment	\$2,040,980	9.00%	Latest of occur of (i) temporary certificates of occupancy for any applicable units, (ii) lien free completion, (iii) architect's certificate of completion, (iv) verification of completion by WFCLl inspector, (v) completion of any potential environmental remediation and receipt of any required governmental approvals, (vi) General Partner's draft cost certification and draft 50% test, and (vii) July 1, 2022
6th Installment	\$1,587,429	7.00%	Latest to occur of (i) evidence of 1.15x DSCR and 95% occupancy for 90 consecutive days, (ii) evidence of income qualification/initial tenant file review for 100% of LIHTC units, (iii) final accountants' cost certification and 50% test, and (iv) October 1, 2022
7th Installment	\$1,133,878	5.00%	Latest to occur of (i) full funding of all financing sources and project reserves, (ii) receipt of final certificates of occupancy for all units, (iii) receipt of form(s) 8609, and (iv) January 1, 2023
Total	\$22,677,554	100.00%	

Annual Tax Credits per Syndication Agreement: \$2,290,662

Total HC Available to Syndicator (10 years): \$22,904,329

Syndication Percentage (limited partner interest): 99.990%

Calculated HC Exchange Rate (per dollar): \$0.990

Proceeds Available During Construction: \$17,915,267

Sufficient equity proceeds will be disbursed at closing to meet regulatory requirements.

Other Permanent Sources of Funds:

In order to balance the sources and uses of funds after all loan proceeds and capital contributions payable under the WFAH equity investment have been received, the Developer will have to defer \$5,741,011 of Developer Fees.

## Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accessory Buildings				\$0	
Demolition				\$0	\$0
Installation of Pre Fab Units				\$0	
New Rental Units				\$0	
Off-Site Work				\$0	
Recreational Amenities				\$0	
Rehab of Existing Common Areas				\$0	
Rehab of Existing Rental Units	\$7,073,232	\$7,034,338	\$6,834,338	\$46,178	
Site Work			\$200,000	\$1,351	\$10,000
Swimming Pool				\$0	
Furniture, Fixture, & Equipment				\$0	
Hard Cost Contingency - in Constr. Contr.				\$0	
Constr. Contr. Costs subject to GC Fee	\$7,073,232	\$7,034,338	\$7,034,338	\$47,529	\$10,000
General Conditions		\$422,060	\$422,060	\$2,852	
Overhead		\$140,687	\$140,687	\$951	
Profit		\$422,060	\$422,060	\$2,852	
Builder's Risk Insurance				\$0	
General Liability Insurance				\$0	
Payment and Performance Bonds				\$0	
Contract Costs not subject to GC Fee				\$0	
Total Construction Contract/Costs	\$7,073,232	\$8,019,145	\$8,019,145	\$54,183	\$10,000
Hard Cost Contingency		\$703,434	\$703,434	\$4,753	
PnP Bond paid outside Constr. Contr.		\$109,032	\$109,032	\$737	
Fees for LOC used as Constr. Surety				\$0	
Demolition paid outside Constr. Contr.				\$0	
FF&E paid outside Constr. Contr.		\$25,000	\$25,000	\$169	
Other:				\$0	
<b>Total Construction Costs:</b>	<b>\$7,073,232</b>	<b>\$8,856,611</b>	<b>\$8,856,611</b>	<b>\$59,842</b>	<b>\$10,000</b>

## Notes to the Construction Costs:

- The Borrower provided a draft, unexecuted, AIA Document A102-2017 Standard Form of Agreement Between the Owner and Contractor, where the basis of payment is the Cost of Work Plus a Fee with a Guaranteed Maximum Price ("GMP") dated June 1, 2021, in the amount of \$8,019,145. The GMP states that retainage of ten percent (10%) on all draws submitted through seventy-five percent (75%) completion, and five percent (5%) retainage withheld on amounts thereafter.

The Construction Contract specifies that the Date of Commencement shall be set forth in a notice to proceed issued by the Owner. The Contract notes the Contractor shall achieve Substantial Completion of the entire work not later than October 1, 2022, approximately 14 months from the date of the Contract. Final payment will be made when the contract has been fully performed, the General Contractor has submitted final accounting for the Cost of the Work and a final Certificate for Payment has been issued by the Architect. The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment.

ETC also provided an executed General Contractor Certification of Requirements, whereby the General Contractor acknowledges and commits to adhere to all requirements related to a General Contractor as published within Rule Chapter 67-21 ("Rule"), Florida Administrative Code. The GMP Contract did not include any allowances.

2. General Contractor fees as stated are within the 14% maximum per Rule.
3. The Hard Cost Contingency is within the 15% maximum as established by the Rule.
4. The cost of the payment and performance bond is outside the GC Contract.
5. FF&E paid outside the Construction Contract will provide FF&E for the fitness center, library, beauty salon, outdoor patio including bike parking and BBQ areas, community room, computer center, and a nursing room used for regular on-site visits.
6. SMG engaged and received a Plan and Cost Analysis ("PCA") from Partner Engineering & Science, Inc. ("Partner"). Complete results are set forth in Section B of this report.

## BOND CREDIT UNDERWRITING REPORT

SMG

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees		\$15,000	\$15,000	\$101	\$7,500
Appraisal		\$7,000	\$3,075	\$21	
Architect's and Planning Fees				\$0	
Architect's Fee - Green Initiative				\$0	
Architect's Fee - Landscape				\$0	
Architect's Fee - Site/Building Design		\$160,000	\$160,000	\$1,081	
Architect's Fee - Supervision		\$50,000	\$50,000	\$338	
Building Permits		\$100,000	\$100,000	\$676	
Builder's Risk Insurance				\$0	
Capital Needs Assessment/Rehab		\$5,000	\$3,900	\$26	
Engineering Fees				\$0	
Environmental Report		\$12,000	\$12,000	\$81	
Federal Labor Standards Monitoring				\$0	
FHFC Administrative Fees		\$206,520	\$207,250	\$1,400	\$207,250
FHFC Application Fee		\$4,500	\$4,500	\$30	\$4,500
FHFC Credit Underwriting Fee			\$13,063	\$88	\$13,063
FHFC Compliance Fee		\$130,240	\$135,537	\$916	\$135,537
FHFC Other Processing Fee(s)				\$0	
Impact Fee				\$0	
Lender Inspection Fees / Const Admin		\$15,000	\$15,000	\$101	
Green Building Cert. (LEED, FGBC, NGBS)				\$0	
Home Energy Rating System (HERS)				\$0	
Insurance		\$210,000	\$210,000	\$1,419	\$70,000



## BOND CREDIT UNDERWRITING REPORT

SMG

Legal Fees - Organizational Costs	\$150,000	\$185,000	\$185,000	\$1,250	\$185,000
Local Subsidy Underwriting Fee				\$0	
Market Study		\$5,000	\$3,075	\$21	\$3,075
Marketing and Advertising				\$0	\$0
Plan and Cost Review Analysis			\$2,000	\$14	
Property Taxes		\$41,250	\$41,250	\$279	\$13,750
Soil Test				\$0	
Survey		\$6,000	\$6,000	\$41	
Tenant Relocation Costs		\$370,000	\$370,000	\$2,500	
Title Insurance and Recording Fees		\$160,000	\$160,000	\$1,081	\$80,000
Traffic Study				\$0	
Utility Connection Fees				\$0	
Soft Cost Contingency		\$191,765	\$84,833	\$573	
Other: <i>Soft Costs</i>	\$1,284,311			\$0	
Other: <i>Management Transition Costs</i>		\$25,000		\$0	
Other: <i>Travel Expenses</i>		\$5,000		\$0	
Other:				\$0	
Other:				\$0	
<b>Total General Development Costs:</b>	<b>\$1,434,311</b>	<b>\$1,904,275</b>	<b>\$1,781,483</b>	<b>\$12,037</b>	<b>\$719,675</b>

*Notes to the General Development Costs:*

1. Appraisal figure reflects the cost of the report engaged by Seltzer.
2. Architect's Fees for architecture and engineering design services reflect the fees as stipulated in the executed AIA B104-2017, Standard Abbreviated Form of Agreement between Owner and Architect, R.S. Granoff Architects, P.C., dated April 5, 2021.
3. Applicant has confirmed that there is no separate Builder's Risk Insurance for the Development. The Applicant's property liability insurance policies also cover any Builder's Risk Insurance that is needed.

4. Capital Needs Assessment and Plan and Cost Review figures reflect the cost of the reports engaged by Seltzer.
5. The FHFC Administrative Fee is based on 9% of the recommended annual allocation of HC. The FHFC Application Fee is reflective of the application fee for 4% HC. The 2021 FHFC Credit Underwriting Fee is based on the 2021 Fee Schedule. The FHFC Compliance Fee is based on the 2021 4% Compliance Monitoring Fee calculator.
6. Legal Fees include those attributable to the costs associated with counsel fees for acquisition, HUD, non-profit, local and other organizational expenses.
7. Soft cost contingency has been limited to 5% as allowed per Rule.
8. Other General Development Costs are based on the Borrower's estimates, which appear reasonable.

## BOND CREDIT UNDERWRITING REPORT

SMG

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Application Fee				\$0	
Construction Loan Underwriting Fee				\$0	
Construction Loan Origination Fee				\$0	
Construction Loan Commitment Fee				\$0	
Construction Loan Closing Costs				\$0	
Construction Loan Interest	\$1,339,500	\$1,139,000	\$1,139,000	\$7,696	
Construction Loan Servicing Fees				\$0	
Permanent Loan Application Fee		\$60,000	\$60,000	\$405	\$60,000
Permanent Loan Underwriting Fee				\$0	\$0
Permanent Loan Subsidy Layering Rev.				\$0	\$0
Permanent Loan Commitment Fee				\$0	\$0
Permanent Loan Origination Fee	\$1,130,000	\$340,000	\$340,000	\$2,297	\$340,000
Permanent Loan Closing Costs				\$0	\$0
Permanent Loan Interest				\$0	\$0
Permanent Loan Servicing Fee				\$0	\$0
Local HFA Application Bond Fee		\$3,000		\$0	\$0
Local HFA Bond Underwriting Fee			\$15,543	\$105	\$15,543
Local HFA Bond Subsidy Layering Rev.				\$0	\$0
Local HFA Bond Origination Fee		\$68,000		\$0	\$0
Local HFA Bond Commitment Fee				\$0	\$0
Local HFA Bond Trustee Fee		\$5,000		\$0	\$0
Local HFA Bond Credit Enh. Fee				\$0	\$0
Local HFA Bond Rating Fee		\$10,000		\$0	\$0

## BOND CREDIT UNDERWRITING REPORT

SMG

Local HFA Bond Cost of Issuance			\$458,300	\$3,097	\$458,300
Local HFA Bond Closing Costs				\$0	\$0
Local HFA Bond Interest				\$0	\$0
Local HFA Bond Servicing Fee				\$0	\$0
Local HFA Legal - Bond Counsel		\$60,000		\$0	\$0
Local HFA Legal - Borrower's Counsel				\$0	\$0
Local HFA Legal - Issuer's Counsel		\$51,000		\$0	\$0
Local HFA Legal - Lender's Counsel		\$45,000		\$0	\$0
Local HFA Legal - U/W's Counsel		\$40,000		\$0	\$0
Legal Fees - Financing Costs				\$0	
Negative Arbitrage				\$0	
Forward Rate Lock Fee				\$0	
Placement Agent/Underwriter Fee		\$204,000		\$0	
Initial TEFRA Fee		\$7,500		\$0	\$0
FHA MIP (Prepayment)				\$0	
FHA Exam Fee				\$0	
NIBP Commitment Fee				\$0	
Other: GSE Counsel		\$35,000		\$0	
Other: Trustee Counsel		\$5,000		\$0	
Other:				\$0	
<b>Total Financial Costs:</b>	<b>\$2,469,500</b>	<b>\$2,072,500</b>	<b>\$2,012,843</b>	<b>\$13,600</b>	<b>\$873,843</b>
<b>Dev. Costs before Acq., Dev. Fee &amp; Reserves</b>	<b>\$10,977,043</b>	<b>\$12,833,386</b>	<b>\$12,650,937</b>	<b>\$85,479</b>	<b>\$1,603,518</b>

*Notes to the Financial Costs:*

1. Construction loan interest reflects the Applicant's estimate of capitalized interest, which appears reasonable.
2. Permanent Loan Application Fee is consistent with Wells Fargo / Fannie Mae application fee.

3. Permanent Loan Origination Fee is equal to 1.00% of the loan amount as stated in the LOI.
4. Local HFA Bond Underwriting Fee reflects the HFAPBC Bond underwriting fee for Seltzer.
5. Local HFA Bond Cost of Issuance amount is based on the estimate provided by RBC and includes the following: fees and expenses of the Issuer, RBC Underwriter Fee, Bond Counsel and other fees.
6. Other Financial Costs are based on the Borrower's estimates, which appear reasonable.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Building				\$0	
Building Acquisition Cost	\$40,000,000	\$37,040,000	\$37,621,295	\$254,198	
Developer Fee on Non-Land Acq. Costs			\$6,019,407	\$40,672	
Other:				\$0	
<b>Total Non-Land Acquisition Costs:</b>	<b>\$40,000,000</b>	<b>\$37,040,000</b>	<b>\$43,640,702</b>	<b>\$294,870</b>	<b>\$0</b>

*Notes to the Non-Land Acquisition Costs:*

1. Applicant provided a Real Estate Purchase and Sale Agreement ("PSA") dated February 3, 2021 between St. James Residence of the Diocese of Southeast Florida, Inc. (Seller) and SJ Residences Preservation, L.P. (Purchaser) with a purchase price of \$40,000,000. The closing shall take place simultaneously with the closing of the transaction contemplated by the St. James Agreement on or before the date that is 240 days after the contract date. Notwithstanding anything in the PSA to the contrary: (a) the closing contemplated by the PSA shall be conditioned upon the closing contemplated by the St. James Agreement occurring on the same date as the Closing Date, and (b) the Closing Date shall not be extended by any provision in the Agreement for any reason beyond September 30, 2021 (the "Outside Closing Date").
2. The "as is" appraised value of the Subject is \$45,600,000, which supports the purchase price.
3. Building Acquisition Costs of \$37,621,295 is the difference of the purchase price minus the land value. The land value is noted below under Land Acquisition Costs.
4. Maximum Developer Fee on building acquisition costs is the total purchase price (exclusive of land acquisition costs) multiplied by the Developer Fee percentages (18%).

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	\$8,038,025	\$8,900,708	\$2,881,301	\$19,468	
DF to fund Operating Debt Reserve				\$0	
DF to Brokerage Fees - Land				\$0	

## BOND CREDIT UNDERWRITING REPORT

SMG

DF to Excess Land Costs				\$0	
DF to Excess Bldg Acquisition Costs				\$0	
DF to Consultant Fees				\$0	
DF to Guaranty Fees				\$0	
Other:				\$0	
<b>Total Other Development Costs:</b>	<b>\$8,038,025</b>	<b>\$8,900,708</b>	<b>\$2,881,301</b>	<b>\$19,468</b>	<b>\$0</b>

*Notes to the Other Development Costs:*

1. Total Developer Fee does not exceed 18% of Total Development Costs, exclusion of land Acquisition Costs and Reserves.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Land				\$0	\$0
Land Acquisition Cost				\$0	\$0
Land		\$2,960,000	\$2,378,705	\$16,072	\$2,378,705
Land Lease Payment				\$0	\$0
Land Carrying Costs				\$0	\$0
Other:				\$0	\$0
<b>Total Acquisition Costs:</b>	<b>\$0</b>	<b>\$2,960,000</b>	<b>\$2,378,705</b>	<b>\$16,072</b>	<b>\$2,378,705</b>

*Notes to the Land Acquisition Costs:*

1. The appraisal estimated the "as is" market value of the land to be \$2,960,000.
2. The Palm Beach County Property Appraiser website reflects a land value of \$2,378,705 for the subject.
3. Seltzer has utilized the lesser of the appraised land value, land value per the Palm Beach County Property Appraiser for St. James Residences, or the Florida Housing land allocation calculation. The Palm Beach County Property Appraiser was the lesser value of the three.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Operating Deficit Reserve (FHFC)				\$0	\$0

**BOND CREDIT UNDERWRITING REPORT****SMG**

Operating Deficit Reserve (Lender)				\$0	\$0
Operating Deficit Reserve (Syndicator)	\$954,211	\$711,044	\$718,920	\$4,858	\$718,920
Debt Service Coverage Reserve (FHFC)				\$0	\$0
Debt Service Coverage Reserve (Lender)				\$0	\$0
Debt Service Coverage Reserve (Syndicator)				\$0	\$0
Replacement Reserves (FHFC)				\$0	\$0
Replacement Reserves (Lender)		\$148,000	\$148,000	\$1,000	\$148,000
Replacement Reserves (Syndicator)				\$0	\$0
Reserves - Start-Up/Lease-up Expenses				\$0	\$0
Reserves - Working Capital				\$0	\$0
Other:				\$0	\$0
<b>Total Reserve Accounts:</b>	<b>\$954,211</b>	<b>\$859,044</b>	<b>\$866,920</b>	<b>\$5,858</b>	<b>\$866,920</b>

*Notes to the Reserve Accounts Costs:*

1. Operating Deficit Reserve (Syndicator) – Per WFCL's equity investment letter dated June 4, 2021, a reserve estimated to be \$718,920 will be required.
2. Replacement Reserves (Lender) – Based on the Applicant's pro forma and required by HUD.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
<b>TOTAL DEVELOPMENT COSTS:</b>	<b>\$59,969,279</b>	<b>\$62,593,138</b>	<b>\$62,418,565</b>	<b>\$421,747</b>	<b>\$4,849,143</b>

*Notes to the Total Development Costs:*

1. Since submission of the application, anticipated Total Development Costs have increased by \$2,449,286, from \$59,969,279 to \$62,418,565, due mainly to an increase in construction costs and general development costs.

## Operating Pro forma

OPERATING PRO FORMA			ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income		\$3,196,800	\$21,600
	Rent Subsidy (ODR)		\$0	\$0
	Other Income:			
	Ancillary Income-Parking		\$0	\$0
	Miscellaneous		\$19,000	\$128
	Washer/Dryer Rentals		\$8,500	\$57
	Gross Potential Income		\$3,224,300	\$21,786
	Less:			
	Economic Loss - Percentage:	0.0%	\$0	\$0
	Physical Vacancy Loss - Percentage:	2.0%	(\$64,486)	(\$436)
	Collection Loss - Percentage:	0.0%	\$0	\$0
<b>Total Effective Gross Revenue</b>			<b>\$3,159,814</b>	<b>\$21,350</b>
EXPENSES	Fixed:			
	Real Estate Taxes		\$27,500	\$186
	Insurance		\$140,000	\$946
	Other		\$0	\$0
	Variable:			
	Management Fee - Percentage:	2.8%	\$88,764	\$600
	General and Administrative		\$127,500	\$861
	Payroll Expenses		\$283,210	\$1,914
	Utilities		\$279,591	\$1,889
	Marketing and Advertising		\$2,000	\$14
	Maintenance and Repairs		\$72,940	\$493
	Grounds Maintenance and Landscaping		\$7,500	\$51
	Resident Programs		\$0	\$0
	Contract Services		\$0	\$0



## BOND CREDIT UNDERWRITING REPORT

SMG

	Security	\$118,000	\$797
	Other-Pest Control	\$0	\$0
	Reserve for Replacements	\$44,400	\$300
<b>Total Expenses</b>		\$1,191,405	\$8,050
<b>Net Operating Income</b>		\$1,968,409	\$13,300
<b>Debt Service Payments</b>			
<b>DEBT SERV</b>	First Mortgage - HFAPBC / Wells Fargo	\$1,682,682	\$11,369
	All Other Mortgages -	\$0	\$0
	First Mortgage Fees - HFAPBC / Wells Fargo	\$54,750	\$370
	All Other Mortgages Fees -	\$0	\$0
<b>Total Debt Service Payments</b>		\$1,737,432	\$11,739
<b>Cash Flow After Debt Service</b>		\$230,977	\$1,561
<b>Debt Service Coverage Ratios</b>			
	DSC - First Mortgage plus Fees	1.133	
	DSC - All Mortgages and Fees	1.133	
<b>Financial Ratios</b>			
	Operating Expense Ratio	37.7%	
	Break-Even Ratio	90.9%	

*Notes to the Operating Pro forma and Ratios:*

1. The Development will be utilizing HCs, which will impose rent restrictions, in conjunction with the Bonds. The Development is anticipated to receive PBRA rents from HUD, which are reflected in the Gross Potential Rental Income as shown in the operating pro forma on the previous page. Restrictions imposed by the Bond program consist of 40% of the units (71 units) set aside for households earning 60% or less of the AMI. Restrictions imposed by the HC program consist of 100% of the units (148 units) set aside for households earning 60% of the AMI. The Applicant states that the Owner pays all utilities at the Development.
2. A rent roll for the Development, utilizing FHFC published 2021 Rent Limits, is illustrated in the following table:

MSA/County: Miami – Fort Lauderdale – Pompano Beach MSA / Palm Beach County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	148	544	60%			\$987	\$0	\$987	\$1,800	\$1,800	\$1,800	\$1,800	\$3,196,800
		148	80,512											\$3,196,800

3. Miscellaneous income reflects the Applicant's estimate for income received from tenant charges such as late fees, damages, bad debt recoveries, and other fees.
4. Washer/Dryer income reflects the Applicant's estimate for income associated with community laundry rooms on each floor for which there is a charge to utilize the equipment.
5. The Appraiser estimates a physical vacancy of 2% and no collection loss for a stabilized physical occupancy of 98% and a stabilized economic occupancy of 98%.
6. Real Estate Tax and Insurance expenses reflect the Applicant's estimates which are consistent with the Appraiser's estimates.
7. Management Fees are noted as the following in the Management Agreement:
  - Property Management Fee equal to \$47.00 per unit per month.
  - Compliance Reporting Fee equal to \$4.00 per unit per month.
8. Security expenses are based on a Security Services Agreement between the previous Owner, St. James Residence of Diocese of Southeast Florida, Inc. and Securitas Security Services USA, Inc. ("Securitas") effective January 30, 2018 for Traditional On-Site Guarding. The Applicant states that they will continue this agreement with Securitas following closing.
9. Since St. James Residences was already operating at a stabilized occupancy and the Seller, The Diocese of Southeast Florida, Inc., will remain a partner (Class C Limited Partner) in the Applicant entity, Seltzer has utilized the Applicant's estimates as they are based on prior operations at the Development.
10. Other operating expense estimates are based on market comparables and are supported by the appraisal.
11. Replacement Reserves were estimated at \$300 per unit per year. Seltzer has utilized that amount in the operating pro forma, escalating at 3% per year thereafter, as required by the Syndicator, which meets the minimum required by Rule.
12. A 15-year income and expense projection reflects increasing debt service coverage ("DSC") through year fifteen (15). This projection is attached to this report as Exhibit 1.

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**SMG**

**Section B**

**Supporting Information and Schedules**

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JULY 9, 2021

**Additional Development and Third Party Supplemental Information**

**Appraised Value:** The appraised value is \$30,300,000 as if completed and stabilized, based on market rents and market financing, as reported in the full narrative appraisal dated May 28, 2021, with an effective date of April 28, 2021 performed by Novogradac Consulting LLP (“Novo”) of Bethesda, Maryland. H. Blair Kincer, MAI, CRE, is a State Certified General Appraiser, License No. RZ4162. Based on the market value of the property, the loan-to-value ratio for the first mortgage Bonds is 112.2%.

The appraised value as if completed and stabilized and based on HAP Contract rents and market financing terms is estimated at \$45,600,000. The loan-to-value ratio for the first mortgage Bonds based on this value is 74.6%.

The appraisal estimated an “as is” value of the Subject Development based on market rents of \$26,900,000 and an “as is” value based on HAP Contract rents of \$45,600,000, which supports the purchase price of \$40,000,000.

**Market Study:** The appraisal estimated an “as if vacant” value of \$2,960,000.

A Market Study was prepared for the Subject Development by Novo dated May 27, 2021, with an effective date of April 28, 2021.

The Market Study confirms that the Subject Development is not located in a Difficult Development Area (“DDA”) nor a Qualified Census Tract (“QCT”).

The Subject Development is located in West Palm Beach, Palm Beach County, which is generally considered to be in the Miami-Fort Lauderdale-Pompano Beach Metropolitan Statistical Area (“MSA”). The subject is located at 400 South Olive Avenue and is accessible via Fern Street. Novo notes that the subject is located in a mixed-use neighborhood with a number of multifamily residences, as well as retail and commercial uses. Novo states that the subject’s access and traffic flow are considered good.

The Primary Market Area (“PMA”) is noted to be the area from which potential tenants for the Development are likely to be drawn. The PMA is generally defined as the city of West Palm Beach and the boundaries are as follows: N Jog Road and 45<sup>th</sup> street to the north, the Palm Beach Coast Line to the east, Forest Hill Boulevard to the south, and Florida’s Turnpike to the west. The PMA encompasses approximately 45 square miles. Novo expects the household growth in the PMA to increase at a rate of 1.2% annually through 2025, slightly above the projected growth in the MSA and nation.

July 9, 2021

Novo notes that there are 23 LIHTC/Bond properties within the PMA totaling 3,040 units. Of these 23 properties, Novo states that there are six properties located within the PMA that target seniors of which two were used as comparables and two receive Project Based Vouchers. The two senior comparable properties, Georgian Gardens and Pinnacle Palms, consist of a total of 239 units with a weighted average occupancy of 100.0%. There are a number of developments proposed and under construction, however, all these developments have a family designation and the majority are market rate and are not considered competitive with the Subject Development. Based on the current strong occupancy at the comparable properties and the two comparables maintaining waiting lists, Novo believes that there is strong income qualified demand in the PMA to support the stabilized Subject Development without having any material impact (short-term or long-term) on existing affordable housing in the PMA.

The Market Study noted no Guarantee Fund developments located within the Subject Development's PMA.

Novo projects that the Development will obtain maximum allowable 2021 HC rents. Novo notes that the Subject Development will benefit from a Project Based Voucher Contract and that these contract rents are above the maximum allowable levels. According to FHFC requirements for HCs, the average market rent must be 10% greater than the average restricted rent; in Novo's analysis, the subject's LIHTC rents are approximately 47% below market, meeting FHFC requirements. HAP contract rents are estimated to be set equal to the estimated market rents.

When viewing total income-eligible renter households, the calculation illustrates an overall capture rate of 4.23% for the Subject Development's one bedroom units. This suggests that the Development will need to capture a small portion of the available demand to remain stabilized.

Novo anticipates that if the subject were hypothetically vacant it would achieve a stabilized occupancy of 95% within 7 months based on an absorption of 20 units per month. It should be noted, however, that the Subject Development is currently operating at a stabilized occupancy. In this instance there would be minimal to no absorption.

Environmental Report: Partner Assessment Corporation (“PAC”) performed a Phase I Environmental Site Assessment (“ESA”) in accordance with ASTM Standard E-1527-13. The ESA is dated March 1, 2021, last revised April 28, 2021.

A Recognized Environmental Condition (“REC”) refers to the presence of any hazardous substances or petroleum products in, on, or at a property:

(1) due to release to the environment; (2) under conditions indicative of a release to the environment; or (3) under conditions that pose a material threat of a future release to the environment. PAC found no evidence of any RECs.

A Controlled REC (“CREC”) refers to a REC resulting from a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority, with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls. PAC found no evidence of any CRECs.

A Historical REC (“HREC”) refers to a past release of any hazardous substances or petroleum products that has occurred in connection with the property and has been addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted use criteria established by a regulatory authority, without subjecting the property to any required controls. Based on PAC’s review of regulatory databases, in 1998, contamination was discovered during closure of a 500-gallon diesel underground storage tank (UST) which previously fueled an onsite emergency generator. A compliance checklist dated April 5, 1999, for closure assessment activities stated that groundwater samples collected after UST closure indicated concentrations above allowable limited for volatile organic and polycyclic aromatic compounds (PAH). In September 2018, soil and groundwater assessments were completed onsite under the Low-Scored Site Initiative (LSSI) Program. Four soil borings were advanced to eight feet below land surface and three shallow monitoring wells were installed to analyze the soils and groundwater. The borings indicated concentrations below Soil Cleanup Target Levels (SCTLs) and MW-1 and MW-2 did not detect any constituents above their Groundwater Cleanup Target Levels (GCTLs). MW-3 indicated various PAHs concentrations exceeding GCTLs but below Natural Attenuation Default Concentrations (NADCs), and a letter report of the findings was submitted to the Florida Department of Environmental Protection (“FDEP”). Additional groundwater samples were collected in March 2019 which identified TRPHs exceeding the GCTL. In July 2019, sampling was completed to verify the concentrations were shrinking and/or stable, however MW-2 indicated TRPH concentration above GCTL. In August 2019, FDEP recommended three additional monitoring wells (MW-4 – MW-6) to further delineate the groundwater

contaminant plume. By September 2019, samples from all three wells identified concentrations below their GCTLs. The site was no eligible to qualify for a Site Rehabilitation Completion Order (SRCO) due to groundwater exceedance in MW-3 and OVA concentrations noted from MW-6. As such, it was recommended that confirmatory soil sampling be completed near MW-6

and the continuation of groundwater sampling from the six monitoring wells. In February 2020, three additional soil borings were advanced in the vicinity of MW-6 and was reported that based on distance, direction and shallow depth of the September 2018 OVA concentrations it was unlikely that the measurements at MW-6 were attributable to the December 1998 discharge. In February and May 2020, groundwater samples reported concentrations below GCTLs. As such the property qualified for a LSSI No Further Action (NFA) based on over one year of data showing decreasing concentrations at MW-3 and the decreasing trend in apparent based on historical data. In order for the subject to qualify for SRCO NFA, two consecutive quarters of data below the GCTL for TRPHs is required. Therefore, it is recommended that the continuation of Natural Attenuation Monitoring of groundwater for TRPHs occur to support the request for a SRCO NFA for the December 1998 discharge. PAC was provided a letter prepared by FDEP stating that the Petroleum Restoration Program (PRP) reviewed the Monitoring Report and NFA Proposal and that all documents submitted were adequate to meet the site assessment requirements and the NFA Proposal was approved. Before the SRCO can be issued, all monitoring wells associated with the discharge have to be properly abandoned in accordance with FDEP requirements. Once the FDEP PRP receives and approves Well Abandonment/Closure Report, then the SRCO can be issued. PAC notes this historical release as a HREC.

An Environmental Issue refers to environmental concerns which do not qualify as RECs; however, warrant further discussion. PAC notes that due to the age of the subject, there is a potential that asbestos-containing material ("ACM") is present. PAC notes that an ACM Operations and Maintenance ("O&M"), dated November 20, 2020, prepared by Langan, is currently in-place. Seltzer has been provided a copy of the ACM O&M Plan.

Based on PAC's conclusions within their ESA, PAC notes that the assessment has revealed no evidence of RECs in connection with the Subject, however a HREC and environmental issue were identified. PAC recommends the following:

- That all monitoring wells associated with the 1998 release be properly abandoned in accordance with FDEP requirements and that the Wells Abandonment/Closure Report be submitted to FDEP PRP for approval in order to be issued to the subject.
- Continued implementation of the existing ACM O&M Plan that is currently in place.

Soil Test Report: Existing properties undergoing rehabilitation with no new construction do not typically require soils tests.

Capital Needs Assessment: SMG received a Property Condition Report ("PCR") (aka Capital Needs Assessment) from Partner Engineering & Science, Inc. ("Partner"), dated May 27, 2021, last revised June 10, 2021.

The PCR was prepared in general conformance with ASTM E2018-15 Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process and as specific in the engagement agreement that initiated this work.

The purpose of the PCR is to provide information to evaluate the condition of the subject in order to facilitate completion of due diligence by the addressee. This is accomplished by describing the primary systems and components of the subject, identifying conspicuous defects or material deferred maintenance, and presenting an opinion of cost to remedy the observed conditions. Based on the systems and components observed during the site visit on April 21, 2021, the subject appeared to be in good condition and the overall level of preventative maintenance appeared to be good.

Partner notes the report also excludes costs for systems or components that are reported to be tenant responsibility to maintain and replace, that are generally associated with the normal operation of the subject within the marketplace, for work that is cosmetic or decorative, for work that is being conducted for warranty transfer purposes, and routine maintenance activities. Partner stated that there are no issues observed or reported that indicate the need for additional investigations.

Immediate repair items consist of material existing or potentially unsafe conditions, material code violations, or any other physical deficiencies that if left uncorrected would be expected to result in or contribute to the failure of critical elements or systems within one year or may result in significant increase in remedial costs. Short-Term repair items are items or condition that may not require immediate action, but should be conducted on a priority basis above and beyond routine maintenance.



Immediate Repairs (totaling \$40,300)

- The property does not provide ADA parking spaces. The installation of one (1) ADA compliant parking space to include access aisle and vertical signage to include "Van Access" vertical signage will be required to comply with ADAAG. Cost estimate \$450.
- The men's public restroom was observed with the side grab bar at the toilet measuring 52 inches from the adjoining wall. Repositioning of the side grab bar to extend to a minimum of 54 inches from the adjoining wall will be required to comply with current ADAAG requirements. Cost estimate \$250.
- Based upon the observed conditions, the subject property does not appear to fully meet the accessibility requirements of Section 504/UFAS. Per Section 504/UFAS regulations, 5% of the dwelling units (in this instance 8 total units) must be designed for full accessibility. Cost estimate \$36,000.
- Based upon the observed conditions, the subject property does not appear to fully meet the accessibility requirements of Section 504/UFAS. Per Section 504/UFAS regulations, 2% of the dwelling units (in this instance 3 total units) must be further modified in order to meet the "sensory impairment" dwelling unit requirement. Cost estimate \$3,600.

Short-Term Repairs (totaling \$2,355,000)

- The existing plaza, catwalk, bridge and rails were observed to be in fair overall condition and aged. Partner recommends refurbishing of the plaza, catwalk, bridge and rails in the coming year. Cost estimate \$100,000.
- According to property management, the date of the last repainting of the subject was unknown. Façade repairs, caulking and recoating should be considered in the upcoming year. Cost estimate \$660,000.
- Windows were reported and observed to be in fair overall condition and reported as being original to the date of construction (1981). Replacement of windows should be considered in the upcoming year. Cost estimate \$990,000.

- Main entry glazed storefront system appears aged and approaching the end of its useful life. Replacement of the glazed storefront system is anticipated in the coming year. Cost estimate \$20,000.
- Exterior glass doors (double and single doors) were observed to be in fair overall condition. Replacement of the exterior doors is recommended in the coming year. Cost estimate \$6,000.
- The roofing system appears to be nearing the end of its service life. Partner recommends replacement of the roofing system in the upcoming year. Cost estimate \$210,000.
- The water-source heat pumps were of various ages and generally appear to be reaching the end of their useful lives. Partner recommends replacement of the water-source heat pumps in the coming year. Cost estimate \$96,200.
- The boilers were of various ages and generally appear to be reaching the end of their useful lives. Partner recommends replacement of the boilers in the coming year. Cost estimate \$36,000.
- The electric subpanels at the subject property are Federal Pacific Electric "Stab-Lok" panels and circuit breakers. The U.S. Consumer Product Safety Commission conducted an investigation of reported failures of FPE "Stab-Lok" circuit breakers and panels. The investigation was performed due to reports that the breakers would not trip during an over-current, short circuit or similar condition. This condition would then cause the panel to overheat and may cause fires. CPSC closed their two year investigation of FPE circuit breakers with a March 1983 press release indicating testing to date was inconclusive and budget restrictions prevented further testing. Partner recommends replacement of FPE electrical equipment in the coming year. Cost estimate \$236,800.

Partner also provided a 15-year replacement reserve analysis in the PCR. Replacement reserve costs are typically defined as predictable and in some instances to be recurring within a specified evaluation period. Based on the 15-year replacement reserve projection prepared by Partner, the property will need to fund reserves in an amount equal to \$523,110 or \$236 per unit per year in inflated dollars (2.5% per year inflation factor).

Partner completed a Plan and Cost Analysis with an updated replacement reserve schedule with the scope of the proposed rehabilitation factored into their analysis. Partner's updated schedule estimates the need for an amount equal to \$374,182 or \$169 per unit per year in inflated dollars.

Seltzer has utilized \$300 per unit per year in the operating pro forma in this report, in accordance with the minimum requirement per the Rule.

Pre-Construction Analysis: SMG received a Plan and Cost Analysis ("PCA") from Partner dated July 8, 2021.

The PCA report states that an electronic set of Architectural, Structural, Mechanical, Plumbing and Electrical were provided and review. The plans were dated June 7, 2021, although the entire set of drawings were neither signed nor sealed by their respective professionals. Partner notes that the provided drawings are a work in progress, organized and contain adequate detail for the current stage of the Development and that it is expected that the drawings will undergo minor modifications to incorporate likely comments and requirements during the permit review process. Partner notes that the drawings did not identify the applicable codes and regulations that govern the proposed Development and recommends that the Architect identify the codes and regulations.

Partner included requirements in connection to the Americans with Disabilities Act ("ADA") as well as the Fair Housing Amendments Act ("FHAA"), Section 504 and the Uniform Federal Accessibility Standard ("UFAS") guidelines. Partner states that the drawings show compliant configurations in connection to ADA guidelines. The FHAA does not apply to this Development as it was built and occupied prior to March 13, 1991. Partner recommended the following items in connection to Section 504 and UFAS guidelines:

- The are not fully development and do not adequately depict accessible units. The provided schedule indicates that 8 units or 5.4% of the total units will be upgraded to ADA accessibility.
- The drawings do not address hearing/vision-impaired units ("HVI"); the drawings should identify and locate a minimum of 3 HVI units or 2.0% of the total units. Partners recommends clarification regarding the accessibility compliance of the Development.

The total construction cost provided by ETC total \$8,019,145, or \$71.47 per square foot of building area and \$54,183 per unit. Partner's estimated costs are \$8,905,199, or \$72.99 per square foot of building area and \$55,332 per unit, a variance of approximately 2.1%. Partner states that this variance is within an acceptable range when performing conceptual cost analysis reports.

Partner concludes that the construction schedule appears to be reasonable, assuming cooperation of the weather during the hurricane season, which is from June to September. Partner also notes that the construction schedule reflects a completion date of August 19, 2022, a date which is 44 days prior the October 1, 2022 substantial completion date currently established in the construction contract. Partner expects that the final construction schedule will conform to the commencement/completion date stipulated in the executed contract.

In the PCA report, Partner provides for number of items requiring clarification and others needing to be updated. These items primarily consist of those noted above as well as additional executed documents to be provided. Receipt and satisfactory review of the Final PCA issued by Partner reflecting no outstanding items or issues is a condition to close.

Site Inspection: Lina Arcila of Seltzer Management Group, Inc., conducted a site visit on April 23, 2021 for the above-referenced Development. St. James Residence is a rehab development and consists of 148 one bedroom/one bath units in one single 18-story high rise building. The property is located in Palm Beach County.

The building is located in downtown West Palm Beach with the intracoastal Waterway and the Palm Beach on the east side. North of site there are a couple of fast food restaurants, retail stores, the Good Samaritan Hospital and residential homes. West of site there are convenience stores, restaurants, hotels, convention centers, apartment communities, the West Palm Beach water treatment plant, parks and

access to the Florida Turnpike and state road I-95. On the South of site there is the West Palm Beach International airport, Palm Beach Atlantic University, rental apartment buildings, residential homes, churches, schools and golf clubs. St. James Residence is connected to St. Andrews Residences, a tax credit elderly community.

There are three affordable senior tax credit communities (Joseph's Village Apartment, Pinnacle Palms and Ahepa) within five miles of site.

There does not appear to be any apparent adverse conditions that would negatively affect the Development nor impair the ability to attract tenants.

**Borrower Information**

Borrower Name: SJ Residences Preservation, L.P. ("Borrower" or "Applicant")

Borrower Type: Florida Limited Partnership

Contact Information: David Pearson

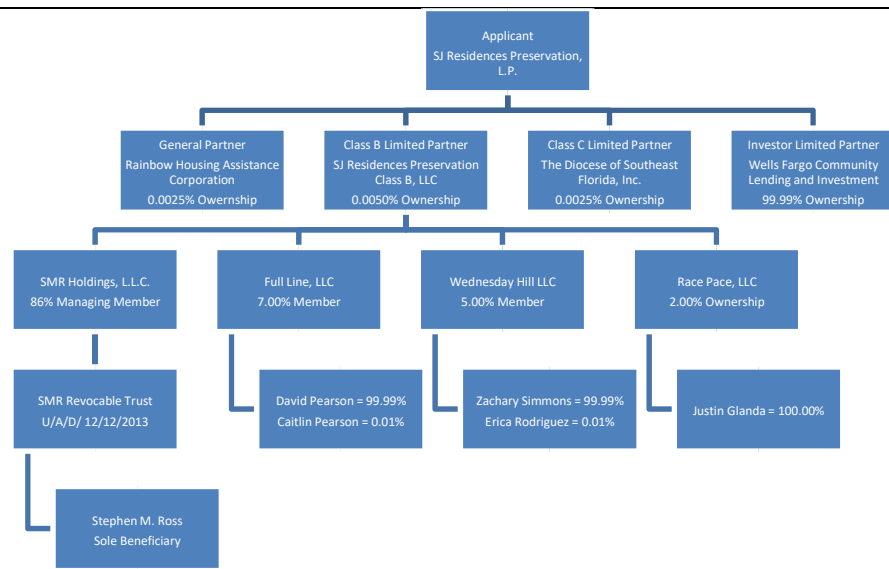
Telephone: (212) 801-3738

E-Mail: [dpearson@related.com](mailto:dpearson@related.com)

Address: 30 Hudson Yards, 72<sup>nd</sup> Floor  
New York, NY 10001

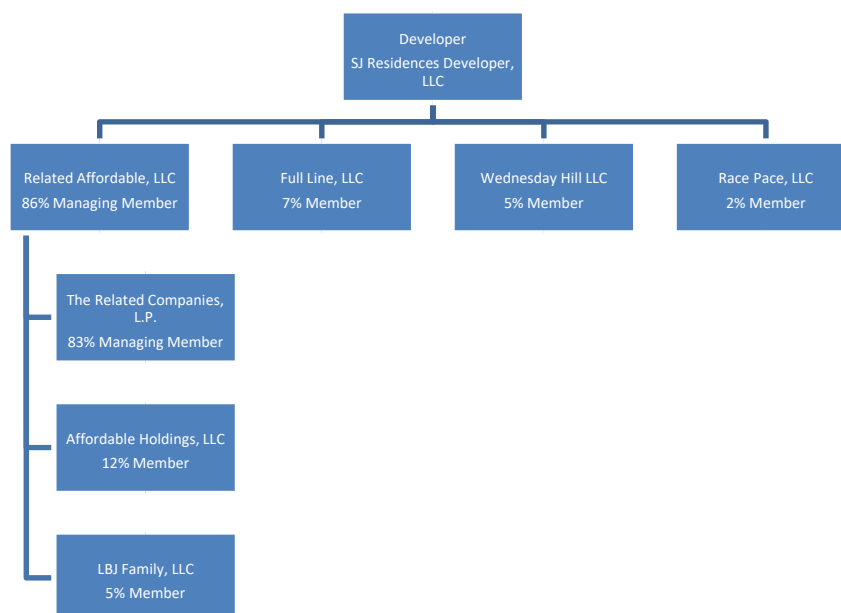
Federal Employer ID: 86-1689513

Ownership Structure: SJ Residences Preservation, L.P. is a Florida Limited Partnership formed January 22, 2021. The Agreement of Limited Partnership has been provided and the current Certificate of Status was verified with the Secretary of State. The General Partner, with 0.0025% ownership, is Rainbow Housing Assistance Corporation ("Rainbow"), a California NotFor-Profit Corporation registered to transact business in Florida March 21, 2003. The Articles of Incorporation have been provided and the current Certificate of Status was verified with the Secretary of State. The Class B Limited Partner is SJ Residences Preservation Class B, LLC ("SJ Class B") with 0.0050% ownership and the Class C Limited Partner is The Diocese of Southeast Florida, Inc. ("Diocese") with 0.0025% ownership. SJ Class B is a New York Limited Liability Company formed January 22, 2021. The Operating Agreement for SJ Class B has been provided. Diocese is a Florida Not-For-Profit Corporation formed January 14, 1970. The Constitution and Canons was provided and the current Certificate of Status was verified with the Secretary of State.



The current General Partner, which owns 0.01% of the Borrower entity is Rainbow. The current Investor Limited Partner, which owns 99.99% of the Borrower entity, is SJ Class B. Per a June 1, 2021, letter of intent (“LOI”), WFAH will purchase the 99.99% ownership interest in the Subject Development concurrent with or prior to the closing of the construction/permanent loan.

The Developer of St. James Residences is SJ Residences Developer, LLC (“SJ Developer”), a New York Limited Liability Company registered to transact business in Florida January 25, 2021. The Operating Agreement has been provided and the current Certificate of Status has been verified with the Secretary of State.

**Experience:**

The Applicant, SJ Class B and SJ Developer are single purpose entities created expressly to acquire, own and operate real property, and have no development experience, meaningful operating or credit history, financial statements, business references, contingent liabilities or previous tax returns.

Rainbow is a national nonprofit organization committed to creating and preserving quality affordable multifamily rental housing and resident services for low- and moderate-income families. From the East Coast to the West Coast, Rainbow serves several thousand units by preserving and protecting rental housing for working families. By partnering with financial institution and private investors they are able to reposition affordable housing communities in difficult areas. Committed to providing supportive services and resources, Rainbow offers a “menu of services” tailored to each property, following the administration of a

resident survey to assess and prioritize areas of greatest need. Through case management, support groups, vocational training, life skills and other support services, residents are able to live in quality, safe, affordable housing and live stable and productive lives.

The experience of SJ Developer belong to Jorge Perez and The Related Companies, L.P. (“TRC”). TRC was founded in 1972 and is currently on the

largest owners of affordable multifamily apartment complexes in the country. Through its various affiliates, TRC oversees more than 1,100 properties in 47 states. TRC is fully integrated across its three divisions: development, management and financial services. Related Affordable, LLC ("RA") is a wholly-owned subsidiary of TRC, which was formed with the express purpose of growing TRC's affordable housing development business by acquiring, recapitalizing and preserving existing low- and moderate-income properties across the country. To date, RA has purchased over 90 affordable housing properties consisting of more than 14,000 units, with a total development value in excess of \$1.3 billion. RA oversees a portfolio of approximately 250 properties, consisting of over 38,000 units.

Credit Evaluation: A comprehensive business credit report for Rainbow dated July 2, 2021 reflects minimal credit activity and no adverse credit history.

A comprehensive business credit report for the Diocese dated July 2, 2021 reflects minimal credit activity and no adverse credit history.

A comprehensive business credit report for SMR Holdings, LLC dated July 2, 2021 reflects no credit history, adverse or otherwise.

A comprehensive business credit report for The Related Companies, L.P. dated July 6, 2021 reflects satisfactory credit history with minor late payment activity. One open collection was noted as well as 19 tax liens. There were 65 UCC filings shown.

Banking/Trade References: Banking and trade references for The Related Companies, L.P. reported satisfactory depository and payment relationships.

Financial Statements: *The Related Companies, L.P. and Subsidiaries:*

Cash and Cash Equivalents	\$ 1,013,738,000
Total Assets:	\$12,084,403,000
Total Liabilities:	\$10,765,593,000
Net Worth:	\$ 1,318,810,000

Financial data is from a December 31, 2020 audited financial statement prepared by KPMG LLP. Assets other than cash consist of real estate, accounts receivable, investments, escrow deposits and other assets. Liabilities consist of mortgage, notes and loans payable and accounts payable. Seltzer reviewed the 2018 and 2019 U.S. Income Tax Returns and the 2020 Extension request.

Contingent Liabilities: A Statement of Financial/Credit affairs dated April 21, 2021, was provided for Rainbow reflecting no contingent liabilities.



A Statement of Financial/Credit Affairs dated April 21, 201, was provided for TRC reflecting contingent liabilities, litigation, and a deed in lieu of foreclosure. A schedule of contingent liabilities dated March 31, 2021, for TRC reflects contingent liabilities in the low ten figures for completion guarantees, low eight figures for operating deficit guarantees and mid nine figures for payment guarantees.

**Summary:**

Based upon the information provided, Rainbow and TRC, through various corporate and partnership entities, appear to have the experience and financial resources to rehabilitate and operate the Subject Development.

**Guarantor Information**

Guarantor Name: SJ Residences Preservation, L.P., Rainbow Housing Assistance Corporation, SJ Residences Preservation Class B, LLC, and The Related Companies, L.P.

Address: 30 Hudson Yards, 72<sup>nd</sup> Floor  
New York, NY 10001

Contact Information: David Pearson  
Telephone: (212) 801-3738  
E-Mail: [dpearson@related.com](mailto:dpearson@related.com)

Nature of the Guarantee: The Guarantors will sign a HFAPBC Fee Guarantee and Environmental Indemnity Agreement.

Financial Statements: Please refer to the Borrower Information section of this report.

Contingent Liabilities: Please refer to the Borrower Information section of this report.

Summary: Based upon the financial information provided, the Guarantors appear to have adequate financial strength to serve as the guarantors for this Development.

**Syndicator Information**

Syndicator Name: Wells Fargo Community Lending and Investment ("WFCLI")

Contact Person: Jennifer Malboeuf Crampton

Telephone: (617) 603-4229

E-mail: [Jennifer.crampton@wellsfargo.com](mailto:Jennifer.crampton@wellsfargo.com)

Address: 125 High Street, 15<sup>th</sup> Floor  
Boston, MA 02110

Experience: WFCLI operates as a subsidiary of Wells Fargo & Company ("WFB"). WFB is a successor entity to Wachovia Community Lending and Investment ("Wachovia"). Wachovia's institutional capital markets and investment banking business arose from the merger of Wachovia and First Union Bank and includes the Wachovia Tax Credit Investment Group. First Union Bank had bought Bowles Hollowell Conner & Co. on April 30, 1998 adding to its merger and acquisition, high yield, leveraged finance, equity underwriting, private placement, loan syndication, risk management, and public finance capabilities. Wachovia Capital Markets, doing business as Wachovia Securities, provides corporate and investment banking services. Wachovia Securities was acquired by WFB in late 2008 as part of that company's purchase of former parent Wachovia Corporation. WFB provides financial and corporation advisory services, private capital, debt private placement, merges and acquisitions advice, underwriting, and equity investing. It also offers real estate financing, risk management services, and structured products such as asset-backed and mortgagebacked securities. WFB possesses expertise in the retail, defense, aerospace, utilities, financial services, healthcare, media and technology industries. WFB has been helping developers and investors take advantage of tax credit opportunities since 1993. With over \$11.3 billion of equity invested in more than 400 low-income and historic tax credit properties, WFB is a long-term partner and an industry leader with a broad array of equity and debt solutions.

Financial Statements: The Q1 2021 Form 10-Q can be viewed via the internet at [www.wellsfargo.com](http://www.wellsfargo.com) or [www.sec.gov](http://www.sec.gov). Wells Fargo reports Total Assets of \$1.959 trillion and Shareholders' Equity of \$188.348 billion.

Summary: WFCLI has demonstrated that it has the experience and financial strength to serve as the syndicator for this Development.

**General Contractor Information**

General Contractor Name: Pyramid ETC Companies LLC dba ETC Companies, LLC ("ETC")

Type: A New Jersey Limited Liability Company registered to transact business in Florida

Contact Person: Alexander H. Bowersox, Vice President of Construction

Telephone: (561) 705-1690

E-mail: [abowersox@etcbuild.com](mailto:abowersox@etcbuild.com)

Address: 7700 Congress Ave., Suite 3112  
Boca Raton, FL 33487

Experience: ETC was founded in 2003 with focused efforts on the rehabilitation and new construction of large multifamily affordable housing complexes. ETC's partners have a combined 60+ years of experience in all disciplines of real estate development and construction. ETC Companies, LLC is an alternative name according to the New Jersey Department of the Treasury Registration of Alternate Name, Limited Liability Company form executed as of November 14, 2003. ETC Companies has renovated or constructed approximately 29,500 units in 80 developments located in Massachusetts, New Jersey, New York, Connecticut, Florida, Maryland, Georgia, West Virginia, Virginia, Michigan, Tennessee, Delaware and North Carolina. ETC reflects approximately 4,000 affordable housing units currently under construction with eight of the properties (1,406 total units) being located in Florida.

Robert Scott Butwin holds a Florida Certified General Contractor License No. CGC1511385, which expire August 31, 2022.

Credit Evaluation: A July 2, 2021, comprehensive business credit report on ETC reflected no significant adversities. Minor late payments were reflected and public record data reflected no bankruptcies, judgments, tax liens or UCC filings.

Banking/Trade References: Banking and trade references for ETC are satisfactory.

Financial Statements: ETC has provided a Surety Letter in lieu of financial statements.

Surety: Applicant provided an April 24, 2021, letter from Wharton Surety Consultants, LLC, of Wayne, Pennsylvania, representing it has previously provided payment and performance bonds on behalf of ETC through Zurich American Insurance Company ("Zurich"). Currently, Zurich is willing to entertain bond requests in the \$300 million range for single projects with a \$500 million aggregate program for ETC. Zurich has an A+ (Superior) rating and a Financial Size Category of XV (\$2 billion or greater) by A.M. Best Company, meeting the Rules.

Summary: SMG recommends that ETC be accepted as the General Contractor.

**Property Manager Information**

Property Manager Name: TRG Management Company LLP ("TRG")  
Type: A Florida Limited Liability Partnership  
Contact Information: Keri Glover, Regional Manager  
Telephone: (305) 442-8628  
E-mail: [kglover@relatedgroup.com](mailto:kglover@relatedgroup.com)  
Address: 2200 North Commerce Parkway, Suite 100  
Weston, Florida 33326  
Experience: TRG, is an affiliate of The Related Companies, L.P., and was formed in 1984 for the primary purpose of managing various forms of multifamily housing. It registered with the State of Florida on August 1, 2013. TRG has managed more than 70,000 residential units and currently employs over 250 real estate management professionals that manage more than 80 properties.  
Management Agreement: The Applicant submitted an undated and unexecuted Management Agreement between the Applicant and TRG. The Agreement states that the term shall commence as of the date of the executed Agreement and shall continue for a term of one year with automatic renewals up to five years, or until such time as either the Applicant or TRG elects to terminate the Agreement.  
TRG shall receive compensation for its services in managing the property as follows: Property Management Fee equal to \$47 per unit per month and a Compliance Reporting Fee equal to \$4 per unit per month. If requested by Owner in writing, the Manager may receive a market rate construction supervisory fee for capital repairs and replacements in excess of \$25,000, such fee to be approved by Owner in accordance with local custom and fee shall not exceed 5% of the actual construction costs incurred for such capital repair and replacement.  
Management Plan: The Applicant provided SMG a copy of a Management Plan for the Development that appears satisfactory.  
Summary: The Asset Management Department of FHFC will need to approve the selection of TRG for St. James Residences prior to the commencement of lease-up activity pursuant to Rule Chapter 67-53. Continued approval will be contingent upon ongoing satisfactory performance.

**Exhibit 1**  
**St. James Residences**  
**15 Year Income and Expense Projection**

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA																
INCOME	Gross Potential Rental Income	\$3,196,800	\$3,260,736	\$3,325,951	\$3,392,470	\$3,460,319	\$3,529,526	\$3,600,116	\$3,672,118	\$3,745,561	\$3,820,472	\$3,896,881	\$3,974,819	\$4,054,315	\$4,135,402	\$4,218,110
	Rent Subsidy (ODR)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Other Income:															
	Ancillary Income-Parking	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Miscellaneous	\$19,000	\$19,380	\$19,768	\$20,163	\$20,566	\$20,978	\$21,397	\$21,825	\$22,262	\$22,707	\$23,161	\$23,624	\$24,097	\$24,579	\$25,070
	Washer/Dryer Rentals	\$8,500	\$8,670	\$8,843	\$9,020	\$9,201	\$9,385	\$9,572	\$9,764	\$9,959	\$10,158	\$10,361	\$10,569	\$10,780	\$10,996	\$11,216
	Gross Potential Income	\$3,224,300	\$3,288,786	\$3,354,562	\$3,421,653	\$3,490,086	\$3,559,888	\$3,631,085	\$3,703,707	\$3,777,781	\$3,853,337	\$3,930,404	\$4,009,012	\$4,089,192	\$4,170,976	\$4,254,395
	Less:															
	Economic Loss - Percentage:															
	Physical Vacancy Loss - Percentage: 2.0%	(\$64,486)	(\$65,776)	(\$67,091)	(\$68,433)	(\$69,802)	(\$71,198)	(\$72,622)	(\$74,074)	(\$75,556)	(\$77,067)	(\$78,608)	(\$80,180)	(\$81,784)	(\$83,420)	(\$85,088)
	Collection Loss - Percentage: 0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Effective Gross Revenue		\$3,159,814	\$3,223,010	\$3,287,470	\$3,353,220	\$3,420,284	\$3,488,690	\$3,558,464	\$3,629,633	\$3,702,226	\$3,776,270	\$3,851,796	\$3,928,832	\$4,007,408	\$4,087,556	\$4,169,307
EXPENSES	Fixed:															
	Real Estate Taxes	\$27,500	\$28,325	\$29,175	\$30,050	\$30,951	\$31,880	\$32,836	\$33,822	\$34,836	\$35,881	\$36,958	\$38,066	\$39,208	\$40,385	\$41,596
	Insurance	\$140,000	\$144,200	\$148,526	\$152,982	\$157,571	\$162,298	\$167,167	\$172,182	\$177,348	\$182,668	\$188,148	\$193,793	\$199,607	\$205,595	\$211,763
	Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Variable:															
Management Fee - Percentage: 2.8%		\$88,764	\$90,540	\$92,351	\$94,198	\$96,082	\$98,003	\$99,963	\$101,962	\$104,002	\$106,082	\$108,203	\$110,367	\$112,575	\$114,826	\$117,123

	General and Administrative	\$127,500	\$131,325	\$135,265	\$139,323	\$143,502	\$147,807	\$152,242	\$156,809	\$161,513	\$166,359	\$171,349	\$176,490	\$181,785	\$187,238	\$192,855
	Payroll Expenses	\$283,210	\$291,706	\$300,457	\$309,471	\$318,755	\$328,318	\$338,168	\$348,313	\$358,762	\$369,525	\$380,611	\$392,029	\$403,790	\$415,903	\$428,381
	Utilities	\$279,591	\$287,979	\$296,618	\$305,517	\$314,682	\$324,123	\$333,846	\$343,862	\$354,178	\$364,803	\$375,747	\$387,019	\$398,630	\$410,589	\$422,906
	Marketing and Advertising	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534	\$2,610	\$2,688	\$2,768	\$2,852	\$2,937	\$3,025
	Maintenance and Repairs	\$72,940	\$75,128	\$77,382	\$79,704	\$82,095	\$84,557	\$87,094	\$89,707	\$92,398	\$95,170	\$98,025	\$100,966	\$103,995	\$107,115	\$110,328
	Grounds Maintenance and Landscaping	\$7,500	\$7,725	\$7,957	\$8,195	\$8,441	\$8,695	\$8,955	\$9,224	\$9,501	\$9,786	\$10,079	\$10,382	\$10,693	\$11,014	\$11,344
	Resident Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Contract Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Security	\$118,000	\$121,540	\$125,186	\$128,942	\$132,810	\$136,794	\$140,898	\$145,125	\$149,479	\$153,963	\$158,582	\$163,340	\$168,240	\$173,287	\$178,486
	Other-Pest Control	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Reserve for Replacements	\$44,400	\$45,732	\$47,104	\$48,517	\$49,973	\$51,472	\$53,016	\$54,606	\$56,245	\$57,932	\$59,670	\$61,460	\$63,304	\$65,203	\$67,159
<b>Total Expenses</b>		\$1,191,405	\$1,226,260	\$1,262,142	\$1,299,083	\$1,337,114	\$1,376,266	\$1,416,574	\$1,458,072	\$1,500,794	\$1,544,778	\$1,590,061	\$1,636,680	\$1,684,677	\$1,734,092	\$1,784,966
<b>Net Operating Income</b>		\$1,968,409	\$1,996,750	\$2,025,328	\$2,054,137	\$2,083,171	\$2,112,424	\$2,141,890	\$2,171,561	\$2,201,431	\$2,231,492	\$2,261,735	\$2,292,151	\$2,322,731	\$2,353,465	\$2,384,341
<b>Debt Service Payments</b>																
<b>DEBT SERV</b>	First Mortgage - HFAPBC / Wells Fargo	\$1,682,682	\$1,682,682	\$1,682,682	\$1,682,682	\$1,682,682	\$1,682,682	\$1,682,682	\$1,682,682	\$1,682,682	\$1,682,682	\$1,682,682	\$1,682,682	\$1,682,682	\$1,682,682	\$1,682,682
	All Other Mortgages -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	First Mortgage Fees - HFAPBC / Wells Fargo	\$54,750	\$54,750	\$54,750	\$54,750	\$54,750	\$54,750	\$54,750	\$54,750	\$54,750	\$54,750	\$54,750	\$54,750	\$54,750	\$54,750	\$54,750
	All Other Mortgages Fees -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Debt Service Payments</b>		\$1,737,432	\$1,737,432	\$1,737,432	\$1,737,432	\$1,737,432	\$1,737,432	\$1,737,432	\$1,737,432	\$1,737,432	\$1,737,432	\$1,737,432	\$1,737,432	\$1,737,432	\$1,737,432	\$1,737,432
<b>Cash Flow After Debt Service</b>		\$230,977	\$259,318	\$287,896	\$316,705	\$345,739	\$374,992	\$404,458	\$434,129	\$464,000	\$494,060	\$524,303	\$554,719	\$585,299	\$616,033	\$646,909

Debt Service Coverage Ratios															
DSC - First Mortgage plus Fees	1.133	1.149	1.166	1.182	1.199	1.216	1.233	1.250	1.267	1.284	1.302	1.319	1.337	1.355	1.372
DSC - All Mortgages and Fees	1.133	1.149	1.166	1.182	1.199	1.216	1.233	1.250	1.267	1.284	1.302	1.319	1.337	1.355	1.372
Financial Ratios															
Operating Expense Ratio	37.7%	38.0%	38.4%	38.7%	39.1%	39.4%	39.8%	40.2%	40.5%	40.9%	41.3%	41.7%	42.0%	42.4%	42.8%
Break-Even Ratio	90.9%	90.2%	89.5%	88.8%	88.1%	87.5%	86.9%	86.3%	85.8%	85.2%	84.7%	84.2%	83.7%	83.3%	82.9%



## COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: St. James ResidencesDATE: July 9, 2021

In accordance with applicable Program Rule(s), the Borrower is required to submit the information required to evaluate, complete, and determine its sufficiency in satisfying the requirements for Credit Underwriting to the Credit Underwriter in accordance with the schedule established by the HFAPBC. The following items must be satisfactorily addressed. "Satisfactory" means that the Credit Underwriter has received assurances from third parties unrelated to the Borrower that the transaction can close within the allotted time frame. Unsatisfactory items, if any, are noted below and in the "Issues and Concerns" section of the Executive Summary.

CREDIT UNDERWRITING REQUIRED ITEMS:	STATUS	NOTE
	Satis. /Unsatis.	
1. The Development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satisfactory	
2. Final site plan and/or status of site plan approval.	Satisfactory	
3. Permit Status.	Satisfactory	
4. Pre-construction analysis ("PCA").	Satisfactory	1
5. Survey.	Satisfactory	
6. Complete, thorough soil test reports.	Satisfactory	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satisfactory	
8. Market Study separate from the Appraisal.	Satisfactory	
9. Environmental Site Assessment – Phase I and/or Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satisfactory	2

10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in the Rule for credit enhancers, Borrower, general partner, principals, guarantors and General Contractor.	Satisfactory	
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## EXHIBIT 2 – PAGE 1

11. Resumes and experience of Borrower, General Contractor and management agent.	Satisfactory	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satisfactory	
13. Management Agreement and Management Plan.	Satisfactory	3
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	Satisfactory	
15. Firm commitment letter from the syndicator, if any.	Satisfactory	
16. Firm commitment letter(s) for any other financing sources.	Satisfactory	
17. Updated sources and uses of funds.	Satisfactory	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satisfactory	
19. Fifteen-year income, expense, and occupancy projection.	Satisfactory	
20. Executed general construction contract with “not to exceed” costs.	Satisfactory	4
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satisfactory	
22. Any additional items required by the credit underwriter.	Satisfactory	5

## NOTES AND APPLICANT’S RESPONSES:

1. Seltzer has received the draft Plan and Cost Analysis (“PCA”) prepared by Partner Engineering & Science, Inc. (“Partner”). Receipt and satisfactory review of the final PCA is a condition to close.
2. The Environmental Phase I noted a HREC in connection to the property. The provider, PAC, provided a recommendation that all monitoring wells associated with the HREC be properly abandoned and a Well Abandonment/Closure Report be submitted to FDEP PRP for approval.
3. Fully executed Management Agreement reflecting terms not substantially different from those utilized in this report is a condition to close.
4. Fully executed Construction Contract reflecting terms not substantially different from those utilized in this report is a condition to close.

5. Seltzer has been provided a draft, undated and unexecuted, Easement Agreement between the Applicant and St. Andrews Residences. A fully executed Easement Agreement reflecting terms not substantially different from those utilized in this report is a condition to close.

**EXHIBIT 2 – PAGE 2**

## HC Allocation Calculation

Section I: Qualified Basis Calculation	
Development Cost	\$62,418,565
Less Land Cost	(\$2,378,705)
Less Federal Funds	\$0
Less Other Ineligible Cost	(\$2,470,438)
Less Disproportionate Standard	\$0
Acquisition Eligible Basis	\$43,640,702
Rehabilitation Eligible Basis	\$13,928,720
Total Eligible Basis	\$57,569,422
Applicable Fraction	100.00%
DDA/QCT Basis Credit	100.00%
Acquisition HC Percentage	4.00%
Rehabilitation HC Percentage	4.00%
Annual HC on Acquisition	\$1,745,628
Annual HC on Rehabilitation	\$557,149
Annual Housing Credit Allocation	\$2,302,777

### Notes to the Qualified Basis Calculation:

1. Other Ineligible Costs primarily include a portion of site work, a portion of accounting fees, FHFC administrative fees, FHFC and HFAPBC application and underwriting fees, HC compliance fees, a portion of legal fees – organizational costs (Applicant estimate), Market Study, marketing and advertising, a portion of survey expenses, a portion of title insurance, permanent loan application, origination fees, HFAPBC Bond cost of issuance, and all reserves.

2. The Borrower committed to a set aside of 100%. Therefore, SMG has utilized an Applicable Fraction of 100.00%.
3. Per the Application, this Development is not located in a Difficult to Develop Areas or a Qualified Census Tract. Therefore, the 130.00% basis credit has not been applied.
4. Per the FY 2021 Omnibus Consolidated Appropriations Act passed by Congress as of December 21, 2020, a permanent 4% minimum HC rate was established. For purposes of this report, a HC percentage of 4.00% has therefore been applied.

Section II: Gap Calculation	
Total Development Cost (Including Land and Ineligible Costs)	\$62,418,565
Less Mortgages	(\$34,000,000)
Less Grants	\$0
Equity Gap	\$28,418,565
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.990
HC Required to Meet Gap	\$28,708,492
Annual HC Required	\$2,870,849

*Notes to the Gap Calculation:*

1. Mortgages include the First Mortgage provided by Wells Fargo / Fannie Mae.
2. HC Syndication Pricing and Percentage to Investment Partnership are based upon the June 4, 2021 letter of intent from WFCL.

Section III: Tax-Exempt Note 50% Test

**BOND CREDIT UNDERWRITING REPORT****SMG**

Total Depreciable Cost	\$57,569,422
Plus Land Cost	\$2,378,705
Aggregate Basis	\$59,948,127
Tax-Exempt Bond Amount	\$34,000,000
Less Debt Service Reserve	\$0
Less Proceeds Used for Costs of Issuance	\$0
Plus Tax-exempt GIC earnings	\$0
Tax-Exempt Proceeds Used for Building and Land	\$34,000,000
Proceeds Divided by Aggregate Basis	56.72%

**Notes to 50% Test:**

1. SMG estimates the Bond amount to be 56.72% of Depreciable Development Costs plus Land Acquisition Costs. If, at the time of Final Cost Certification, the Bond Amount is less than 50%, Developer Fees will have to be reduced by an amount to ensure compliance with the 50% Test. That may, in turn, result in a reduction to HC Equity.

<b>Section IV: Summary</b>	
HC per Applicant Request	
HC per Qualified Basis	\$2,302,777
HC per Gap Calculation	\$2,870,849
Annual HC Recommended	\$2,302,777

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*Notes to the Summary:*

1. The Annual HC Recommended is based on the Qualified Basis Calculation.

**RESOLUTION NO. 2021-10**

**A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA; APPROVING THE FORM OF AND AUTHORIZING ENTERING INTO A FIRST AMENDMENT TO CONSTRUCTION LOAN AGREEMENT WITH THE DELRAY BEACH HOUSING AUTHORITY; AUTHORIZING A FIRST AMENDMENT TO REVOLVING MORTGAGE NOTE; AUTHORIZING THE PROPER OFFICERS OF THE AUTHORITY TO DO ALL THINGS NECESSARY OR ADVISABLE IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION.**

**WHEREAS**, the Board of County Commissioners of Palm Beach County, Florida (the “Board”), has heretofore enacted an ordinance, as amended, creating the Housing Finance Authority of Palm Beach County, Florida (the “**Authority**”), pursuant to the provisions of Part IV of Chapter 159, Florida Statutes, as amended and supplemented (the “**Act**”); and

**WHEREAS**, the Board has heretofore adopted a resolution declaring a need for the Authority to function in order to alleviate the shortage of housing and capital for investment in housing within Palm Beach County, Florida (the “**County**”); and

**WHEREAS**, Authority and the Delray Beach Housing Authority (the “Borrower”) previously entered into a Construction Loan Agreement for the purpose of the Lender making a revolving construction loan of \$2,450,000 (the “**Loan**”) to Borrower for Borrower to construct fifty-four (54) townhomes in nine (9) buildings consisting of six (6) residential units each, and certain other improvements appurtenant thereto, for a residential development to be known as Island Cove (herein collectively referred to as the “**Project**”); and

**WHEREAS**, the Borrower has determined that the Project is no longer feasible for home ownership, and has decided to construct the Project as a sixty (60) unit low to moderate multifamily rental project (the “**Multifamily Rental Project**”); and

**WHEREAS**, the Borrower has asked the Authority to issue tax-exempt multi-family housing revenue bonds to finance the construction of the Multifamily Rental Project; and



**WHEREAS**, in order for the Multifamily Rental Project to qualify for tax-exempt financing, there must be a for profit owner, and therefore the Borrower has formed Island Cove, LLC, a Florida limited liability company, to be the owner of the Multifamily Rental Project (the “Multifamily Rental Project Owner”); and

**WHEREAS**, the Borrower desires to make further draws on the Note, and make the proceeds of such draws available to Multifamily Rental Project Owner; and

**WHEREAS**, the Borrower has asked the Authority to amend the Construction Loan Agreement and the Note; and

**WHEREAS**, the Authority is willing to do so, so long as the total of such draws is limited to \$750,000, inclusive of amounts drawn to date, and the uses of such draws are limited to PreConstruction Expenses, and subject further to the conditions and limitations set forth herein.

**NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA:**

**Section 1:           Recitals.** The foregoing recitals stated above are hereby found by the Authority to be true and correct and incorporated into this Resolution.

**Section 2:           Approval and Execution of First Amendment to Construction Loan Agreement.** The Authority is hereby authorized to enter into a First Amendment to Construction Loan Agreement with the Borrower in substantially the form attached as Exhibit “A” hereto (the “**First Amendment to Agreement**”), and, at the request of the Borrower, to advance proceeds of the Note on behalf of Island Cove, LLC. The Chairperson or, in the Chairperson’s absence, any other member of the Authority, is hereby authorized to execute and deliver the First Amendment to Agreement, the execution thereof by the Authority being conclusive evidence of the approval of the form of such First Amendment to Agreement.

**Section 3: Approval and Execution of First Amendment to Note.** The Authority is hereby authorized to approve the First Amendment to Note in substantially the form attached as Exhibit "B" hereto (the "**First Amendment to Note**"). The Chairperson or, in the Chairperson's absence, any other member of the Authority, is hereby authorized to execute and deliver the First Amendment to Note, the execution thereof by the Authority being conclusive evidence of the approval of the form of such First Amendment to Note.

**Section 4: Authority to Enter into Other Loan Documents.** The Authority is authorized to enter into such other loan documents with the Borrower as are usual and customary for a loan of this type, so long as such documents are consistent with the provisions of the First Amendment to Agreement and the First Amendment to Note. Such documents shall be in such form as may be approved by the Chairperson or other member of the Authority executing such documents, with the advice of the Executive Director and of the Authority and general counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Authority.

**Section 5: No Other Rights Conferred.** Except as herein otherwise expressly provided, nothing in this Resolution or in the agreements approved hereby, expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation other than the Authority or the Borrower, any right, remedy or claim, legal or equitable, under and by reason of this Resolution or such agreements, or any other agreements to which the Authority is a party and which have been approved by the Authority or any provision thereof; this Resolution, such agreements and all of their respective provisions being intended to be and being for the sole and exclusive benefit of the Authority and the Borrower.

**Section 6: Severability.** In case any one or more of the provisions of this Resolution, or of agreements approved hereby or any other agreements to which the Authority is a party and which have been approved by the Authority, shall for any reason be held to be illegal or invalid,

such illegality or invalidity shall not affect any of the other provisions of this Resolution or of such agreements.

**Section 7: Further Actions; Effectiveness of Approval.** The Chairperson, the Vice Chairperson, the Secretary of the Authority and the other members of the Authority, the Executive Director of the Authority, the Authority's general counsel, are hereby authorized and directed to do all acts and things required of them by the provisions of this Resolution, the agreements herein approved or any other agreements to which the Authority is a party and which have been approved by the Authority.

**Section 8: Headings Not Part of this Resolution.** Any headings preceding the texts of the several sections of this Resolution shall be solely for convenience of reference and shall not form a part of this Resolution, nor shall they affect its meaning, construction or effect.

**Section 9: Resolution Effective.** This Resolution shall take effect immediately upon its adoption.

[Remainder of page intentionally left blank.]

(SEAL)

HOUSING FINANCE AUTHORITY OF  
PALM BEACH COUNTY, FLORIDA

ATTEST:

By:

**ADOPTED** this 23rd day of July, 2021.

4

\_\_\_\_\_  
\_\_\_\_\_  
Chairperson

Name:

Title:

By:

\_\_\_\_\_  
\_\_\_\_\_  
Secretary

Name:

Title:

APPROVED AS TO FORM AND LEGAL  
SUFFICIENCY

By: \_\_\_\_\_

Name: Morris G. (Skip) Miller, Esq.

Title: Attorney

EXHIBIT "A"

FIRST AMENDMENT TO CONSTRUCTION LOAN AGREEMENT

EXHIBIT "B"

FIRST AMENDMENT TO NOTE



## Tab 3

### **VI. New Business - attachments**

- a. Island Cove – Smith Henzy/DBHA – presentation of bond application and approval of inducement resolution
  - i. Island Cove bond application – w/o exhibits
  - ii. Resolution R-2021-11 – w/o exhibits
- b. Coleman Park Renaissance – Neighborhood Renaissance – presentation of application and approval of inducement resolution
  - i. Coleman Park bond application – w/o exhibits
  - ii. Resolution R-2021-12 – w/o exhibits
- c. Preliminary FY 2021/2022 General Fund Budget – no attachment

### ***APPLICATION***

#### ***HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA MULTIFAMILY RENTAL HOUSING BOND PROGRAM PROJECT APPLICATION FORM***

#### **A. Developer Information:**

- 1. Applicant Name: Island Cove, LLC
- 2. Name of Owner for Inducement Resolution: Island Cove, LLC
- 3. Type of Entity (e.g. Florida corporation, limited partnership, etc): Limited Liability Company Ownership chart of the Entity including individual principals is provided as “**Exhibit 1**”.
- 4. Name of Developer: SHAG Island Cove, LLC

5. Address: 1100 NW 4<sup>th</sup> Ave Delray Beach, FL 33444
6. Contact Person: Darren Smith
7. Telephone: 561-859-8520
7. E-mail address: dsmith@smithhenzy.com

**B. Project Information**

1. Project Name: Island Cove Apartments

NOTE: After Inducement, Project name MAY NOT BE CHANGED OR ALTERED WITHOUT CONSENT OF THE AUTHORITY. If available, provide the actual trade, 'marking' or d/b/a name.

2. Project Street Address/Zip Code (if new construction, give street names, city and zip code): On SW 8th Street, southeast of the intersection of SW 8th Street and SW 13th Avenue, Delray Beach 33444
3. County Commission District in which Project is Located: 7 C. **Project**

**Category and Population:**

1. Choose all that apply:

New Construction ☒ Acquisition ☐ Remarketing ☐  
 Rehabilitation ☐ Refunding ☐ Acquisition/Rehab ☐

(a) If acquisition or acquisition/rehab was selected, is the project occupied?

No ☒ Yes ☐ If yes include plan for temporary relocation of existing tenants as “**Exhibit**”

2. Is the Project designated to serve a specific target group (i.e. elderly, disabled)?  
 No ☒ Yes ☐ If yes, please specify and indicate an minimum age

requirements of household members:

**D. Project Status:**

Has construction begun? No Yes ☒ ☐ Date permits issued

Is the project complete? No Yes ☒ ☐ Date CO issued

**E. Number of Units:**

Total Number of Units: 60



Number of Residential Units: 60

Number of Set-Aside Units:60

Percent of Set-Aside Units: 100% **F.**

**Manager/Employee Units:**

Are there one or more manager or employee units in the Project?

No ☒ Yes ☐ If yes, how many? Unit Type(s):

**G. Breakdown of Units by Square Footage and Monthly Rent Charged.**

All units in the Project must be listed including all manager/employee units. Indicate manager/employee units with an asterisk.

# of Bedrms /Unit	# of Baths /Unit	Sq. Ft. /Unit	# of Units Per BR/BA type	% of Area Median Income	Monthly Gross Rent for Set- Aside Units*	Less Utility Allow. (for LIHTC Project )	Net Rent for Set- Aside Units	Monthly Market Rent+
Two	Two	900	6	30	\$1,628	\$71	\$1,557	\$9,342
Three	Two	1,100	2	30	\$2,200	\$78	\$2,122	\$4,244
Three	Two	1,100	1	30	\$667	\$78	\$589	\$589
Two	Two	900	22	60	\$1,156	\$71	\$1,085	\$23,870
# of Bedrms /Unit	# of Baths /Unit	Sq. Ft. /Unit	# of Units Per BR/BA type	% of Area Median Income	Monthly Gross Rent for Set- Aside Units*	Less Utility Allow. (for LIHTC Project )	Net Rent for Set- Aside Units	Monthly Market Rent+
Three	Two	1,100	11	60	\$1,335	\$78	\$1,257	\$13,827
Two	Two	900	6	70	\$1,349	\$71	\$1,278	\$7,668
Three	Two	1,100	3	70	\$1,558	\$78	\$1,480	\$4,440
Two	Two	900	6	80	\$1,542	\$71	\$1,471	\$8,826
Three	Two	1,100	3	80	\$1,781	\$78	\$1,703	\$5,109

\* NOTE: For any Project anticipating the use of tax credits, gross rents include the net rent plus the allowance for tenant-paid utilities for set-aside units. These rents may not exceed the allowable rents for the chosen set-aside as shown on the applicable rent charts by the FHFC. Rents will be capped based on set-aside chosen below or if lower due to other funding source(s). Utility allowance of \$  
1 bedroom      2 bedroom \$71 3 bedroom \$78 4 bedroom + NOTE: Answer for market rate units only.

**H. Proposed minimum Set-aside required for Tax Exempt Bond Financing.**

CHOOSE ONLY ONE:

- ☐ 20% of units at 50% of area median income
- ☒ 40% of units at 60% of area median income **I.**

**Describe Project:**

Island Cove Apartments is a planned new construction of 60-units located in Delray Beach, Florida. This is a mixed income, multifamily, rental community comprised of townhouses. This project is projected to have 40 two-bedroom/two bathroom and 20 three-bedroom/two bathroom at 30% AMI to 80% AMI.

**J. Describe Project Features, Amenities and any Resident Programs that will be**

**provided:**

Some of the amenities will include site surveillance, washer and dryers for each unit, high efficiency Energy Star appliances, stone countertops, luxury vinyl tile throughout the units, and a community center. There will also be 3 different resident programs which

include, Adult Literacy, an Employment Assistance Program, and a Homeownership Opportunity Program.

**K. Will any units be accessible to the handicapped?**

Yes ☒ No ☐ How many? 3

**L. Type of Building(s):**

☐ ☐ Elevator Walkup  
☐ Townhouse ☒ Detached Semi-detached

**M. Style of building(s), number of buildings and number of stories:**

Townhomes, nine (9) building, and two (2) stories

**N. Does the current Land Use and Zoning permit the proposed development at the proposed Density?**

Yes ☒ No ☐

If no, explain:

**O. Project Financing And Proposed Structure:**

1. Overview of Proposed Financing Summary:

NOTE: Material changes in the proposed structure after submittal of the application may result in delay of consideration by the Authority or loss of priority

	Check If app.	Perm. Amount	% of Project Cost
Tax-exempt Bonds	<input checked="" type="checkbox"/>	\$5,483,000	30%
Taxable Bonds	<input type="checkbox"/>		
SAIL	<input checked="" type="checkbox"/>	\$3,800,000	20%
HOME (State Funds)	<input type="checkbox"/>		
HOME (Identify Local Funds)	<input type="checkbox"/>		
CDBG	<input type="checkbox"/>		
SHIP	<input type="checkbox"/>		
LIHTC Equity (4% credits)	<input checked="" type="checkbox"/>	\$8,060,379	43%
Other	<input checked="" type="checkbox"/>	\$1,211,329	7%
<b>Total</b>	<input checked="" type="checkbox"/>	<b>\$18,554,708</b>	<b>100%</b>

Briefly describe sources listed above:

The projected tax-exempt construction loan will be \$9.968MM and will be paid down to \$5.483MM. The SAIL Loan (\$3,800,000) is a combination of a SAIL Loan (\$3,200,000) and a SAIL ELI Loan (\$600,000). The "other", \$1,211,229, source will come from deferred developer fee and a grant from the Delray Beach CRA.

2. Subordinate Financing:

- (a) If SAIL, HOME, CDBG, FHLB, SHIP and/or other funding is shown as already committed, attach a letter from the appropriate governmental entity detailing the commitment, including the dollar amount, source of funding, conditions of funding (including income and/or rent restrictions), whether the funding is a loan or a grant, and if a loan, the interest rate, loan terms, amortization, and payback schedule. Attach the letter(s) as an exhibit. Said letter shall be attached hereto as **"Exhibit 2."**
- (b) If SAIL, HOME, CDBG FHLB, SHIP and/or other funding is shown and is not firmly committed, attach an explanation of how the development will be completed without those funds. Said explanation shall be attached as **"Exhibit ."**
- (c) Does the Applicant firmly commit to complete the bond financing if those funds are not received? Yes ☐ No ☒

3. Tax Credits - If the Project receives Bond financing, will LIHTC be used?

Yes ☒ No ☐

- (a) If yes, LIHTC Requested Amount \$857,573
- (b) If yes, name of Syndicator: Raymond James Tax Credit Fund

A preliminary commitment letter, including general terms such as a description of how the syndication funding will be paid out during construction and following completion, must be attached hereto. Said letter shall be attached hereto as **"Exhibit 3."**

- (c) Is the project located in a QCT/DDA/ZCTA/RECAP: Yes ☒ No ☐  
If yes evidence of such designations are attached as **"Exhibit's 4."**
- (d) If the project is subject to a FHFC location restriction (LDA) area attach a description as **"Exhibit ."**

4. Rental Assistance. Is project-based rental assistance anticipated for this Project?

No ☐ Yes ☒

If yes, check all that apply:

Moderate Rehab ☐ RD 515 ☐  
Section 8 ☒ Other ☐

Number of units receiving assistance 8

Number of years remaining on rental assistance contract:

Number of years expected for new rental assistance contract: 20

5. Credit Enhancement or bond purchaser:

Describe any letter of credit, third party guarantor, bond purchaser, private placement agent, housing program funding (FHA-insured loan, Fannie Mae or Freddie Mac), surety bond or other financing enhancements anticipated for this project, including, but not limited to the name of the party providing such financing/credit enhancement, the rating of such provider and the term of such financing/credit enhancement:

Construction and permanent funding sources will be from tax-exempt loans.

A preliminary commitment letter/term sheet from the provider of such financing/credit enhancement shall be attached hereto as **“Exhibit 5”**

6. Proposed bond structure:

Type of interest rate expected: fixed ☒ floating ☐

Term of Bonds including option put: 15 years

Estimated interest terms: 5.150%

Placement structure: private placement ☒ public offering ☐

7. Economic Feasibility of the Project:

A description of the Project feasibility structure shall be attached hereto as **“Exhibit 6”** including, at a minimum, the following:

- (a) Pro forma cash flows at maximum interest rate at which Project will work;
- (b) Detailed sources and uses, including developer's fees, overhead and all hard and soft costs.

- (c) The maximum annual debt service at which the Applicant commits to proceed: \$317,524
- (d) The minimum principal amount of tax exempt bonds the Applicant will accept to proceed with the Project: \$9,000,000

**P. Proposed Project Schedule**

<u>Activity</u>	<u>Date</u>
Authority board meeting to consider application	7/23/2021
Final site plans & architectural drawings	12/1/2021
Complete third party credit underwriting	2/1/2022
Approval of subordinate financing	3/1/2022
All other necessary local approvals	2/1/2022
Obtain Credit Enhancement/Bond Purchase Commitment	3/11/2022
HUD approvals (if applicable )	N/A
Issue bonds	4/1/2022
Start construction or rehabilitation	4/8/2022
Complete construction or rehabilitation	6/17/2023
Start rent-up	3/17/2022
Complete rent-up	8/17/2023

**Q. Ability To Proceed**

Each Application shall be reviewed for feasibility and ability of the Applicant to proceed with construction of the Project.

1. Site Control

Site Control must be demonstrated by the Applicant through bond closing or termination of the Memorandum of Agreement. At a minimum, a Contract for Purchase and Sale or long-term lease must be held by the Applicant for the proposed site. A purchase contract must include the following: (i) the remedy for default on the part of the seller must include or be specific performance, (ii) the buyer MUST be the Applicant and, (iii) other than clear title, the only permissible contingency for seller or assignor to transfer the site to the Applicant is the award of bond financing.

Site is controlled by:Purchase and Sale Agreement

Evidence of Site Control shall be attached hereto as “**Exhibit 7**” and shall be in the form of either:

- (a) Contract for Purchase and Sale or long-term land lease agreement (a Title Insurance Commitment may be requested to show marketable title in the name of the Seller).
- (b) Deed (a Title Insurance Policy Showing marketable title in the name of the Applicant may be requested).

2. Zoning and Land Development Regulations:

NOTE: Applicant must provide documentation that the site is appropriately zoned and consistent with local land use regulations regarding density and intended use.

- (a) Is the site appropriately zoned for the proposed Project?  
No ☐ Yes ☒
- (b) Indicate zoning designation(s): Medium Density Residential
- (c) Current zoning permits 24 units per acre, or 72 units for the site (PUD).
- (d) Total number of Units in Project: 60
- (e) A letter from the appropriate local government official verifying i.) the zoning designation, ii.) that the proposed number of units and intended use are consistent with current land use regulations and referenced zoning designation shall be attached hereto as **“Exhibit 8”**

3. Site Plan:

- (a) New Construction: Has the preliminary or conceptual site plan been approved by the appropriate local government authority?  
Yes ☐ No ☒

If yes, a copy of the approved site plan shall be attached hereto as **“Exhibit .”**

If no, local approval is expected on: 2/1/2022 and a letter from the appropriate local government official indicating preliminary or conceptual site plan, or if no neither preliminary or conceptual approval is given prior to final site plan approval, a description of status of the local government review of the Project shall be attached hereto as **“Exhibit 9”**

- (b) Rehabilitation: Was site plan approval required by local governmental authorities at the time this Project was originally placed in service?

Yes ☐ No ☐

4. Environmental:

Has an Environmental Assessment been completed and if so describe any required remedial action necessary: **No**

5. Concurrency:

Project-specific letters from the local government or provider verifying availability of infrastructure and capacity (water, sewer, road, and school) for the proposed Project shall be attached hereto as **“Exhibit’s 10,11,12,13.”**

**R. Other Information:**

- (a) Do you presently have an application for this project submitted elsewhere or has this project been denied financing elsewhere?

Yes ☐ No ☒

- (b) How many and what type of projects have you completed in the Palm Beach County? One (1). Lake Delray Apartments project was a 404-unit rehabilitation that utilized local PBCHFA tax-exempt bonds and 4% tax-credits administered from Florida Housing Finance Corp.

- (c) Applicant/borrower GP:  
Firm: Island Cove, LLC  
Phone: 561-859-8520  
Natural principals:  
Contact Person: Darren Smith

- (d) Developer:  
Firm: SHAG Island Cove, LLC  
Phone: 561-859-8520  
Natural principals: Darren Smith & Timothy Henzy  
Contact Person: Darren Smith

- (e) Proposed Architect:  
Firm: REG Architects  
Phone: 561-659-2383 ext 102  
Contact Person: Rick Gonzalez




- (f) Proposed Managing Agent:  
Firm: Delray Housing Group  
Phone: 561-272-6766 Contact  
Person: Shirley Erazo
- (g) Proposed General Contractor:  
Firm: JWR Construction  
Phone: 954-480-2800  
Contact Person: Dustin DuBois
- (h) Proposed Developer's Attorney:  
Firm: Shutts & Bowen  
Phone: 305-358-6300  
Contact Person: David Resnick and Robert Cheng
- (i) Proposed Investment Banker (see Authority "Bond Underwriter Selection Policy") or private placement bond purchaser:  
Firm: JP Morgan Chase Bank, N.A.  
Phone: 813-483-8265 Contact  
Person: Laura Meyers
- (j) Proposed Credit Underwriter:  
Firm: First Housing Development Corporation  
Phone: 813-283-1043  
Contact Person: Ed Busansky
- (k) Provide the following for the property/project seller or lessor:  
Entity: Delray Beach Housing Authority  
Phone: 561-272-6766  
Contact Person: Shirley Erazo

[Remainder of page intentionally left blank]

**Certificate of Understanding**

I, Darren Smith, representing Island Cove, LLC , have read and understand the federal requirements and the Housing Finance Authority of Palm Beach County, Florida's Guidelines for Issuance of Multi-Family Housing Revenue Bonds, and hereby adhere thereto. Furthermore, I hereby certify that the information contained in the Application is true and correct to the best of my knowledge.

Dated on this 7 day of July, 2021.

By:   
Printed      Name:      Darren      Smith

Title: Authorized Representative



**RESOLUTION NO. R-2021-11**

**A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY (THE “AUTHORITY”) DECLARING THE AUTHORITY’S PRELIMINARY INTENT TO ISSUE ITS NOT TO EXCEED \$10,000,000 MULTIFAMILY HOUSING REVENUE BONDS, NOTES OR OTHER EVIDENCES OF INDEBTEDNESS (IN ANY EVENT REFERRED TO HEREIN AS THE “BONDS”) WHICH MAY BE ISSUED IN ONE OR MORE SERIES TO OBTAIN FUNDS TO BE LOANED TO ISLAND COVE, LLC (THE “BORROWER”), ITS SUCCESSORS OR ASSIGNS, FOR THE FINANCING OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A QUALIFYING HOUSING DEVELOPMENT IN THE CITY OF DELRAY BEACH, PALM BEACH COUNTY, TO BE KNOWN AS ISLAND COVE; INDICATING THE AUTHORITY’S OFFICIAL INTENT TO USE A PORTION OF THE PROCEEDS OF SUCH BONDS TO REIMBURSE CERTAIN EXPENDITURES PAID OR INCURRED PRIOR TO THE DATE OF ISSUANCE THEREOF; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF AGREEMENT; AUTHORIZING VALIDATION OF THE BONDS, IF SO REQUIRED; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, pursuant to the provisions of the Florida Constitution, Part IV of Chapter 159, Florida Statutes, as amended and supplemented, and other applicable provisions of law (the “Act”) and the policies of the Housing Finance Authority of Palm Beach County, Florida (the “Authority”), Island Cove, LLC, a Florida limited liability company (the “Borrower”), has submitted a request to the Authority requesting that the Authority issue, pursuant to the provisions of the Act, multifamily housing revenue bonds, notes or other evidences of indebtedness to finance the costs of the acquisition, construction and equipping of an approximately 60 unit multifamily rental housing facility to be known as Island Cove, to be located on SW 8<sup>th</sup> Street, southeast of the intersection of SW 8<sup>th</sup> Street and SW 13<sup>th</sup> Avenue, Delray Beach, Palm Beach County, Florida 33444 (the “Project”), to be rented to qualified persons and families as required by the Act and the Internal Revenue Code of 1986, as amended (the “Code”) in Palm Beach County, Florida; and

**WHEREAS**, the Authority desires, as requested by the Borrower, to declare its preliminary intent to issue, in one or more series, its Multifamily Housing Revenue Bonds in the initial aggregate principal amount of not exceeding \$10,000,000 (or such other debt instrument as may be allowed by the Act and approved by Bond Counsel and the Authority’s counsel, herein, the “Bonds”) pursuant to the limitations and conditions set forth in this Resolution and in subsequent resolutions and other instruments of the Authority, which amount the Borrower has represented will, together with other available funds of the Borrower, be sufficient to finance the acquisition, construction and equipping of the Project; and

**WHEREAS**, the Bonds will be secured by amounts payable under the terms of a loan or financing agreement between the Authority and the Borrower providing for payments in amounts or other collateral sufficient to pay and secure the principal of, premium, if any, and interest on the Bonds as the same become due and payable, and/or such other security as shall be acceptable to the Authority; and

**WHEREAS**, it is intended by the Authority that the interest on the Bonds will be excludable from gross income for federal income tax purposes; and

**WHEREAS**, the action taken by this Resolution does not constitute final approval of the financing of the costs of the Project or of the issuance of the Bonds and is not an absolute commitment by the Authority to issue the Bonds; and

**WHEREAS**, the Authority's approval of the financing of the costs of the Project will be effected in accordance with applicable law and regulations and the financial terms, security for the repayment of the Bonds, restrictions on transferability, if applicable, and other matters will be determined and/or approved by subsequent proceedings of the Authority and by other appropriate regulatory bodies as may be required by applicable law and regulations, including but not limited to, approval by the Board of County Commissioners of Palm Beach County, Florida of certain matters relating thereto; and

**WHEREAS**, the Authority has been informed by the Borrower that it has and anticipates that it will incur certain capital expenditures relating to the Project prior to the issuance of the Bonds by the Authority; and

**WHEREAS**, such capital expenditures will be paid from the Borrower's own money or from the proceeds of a taxable financing; and

**WHEREAS**, the Code and applicable regulations (the "Regulations") require the Authority to declare its official intent to allow the Borrower to be reimbursed for certain capital expenditures incurred by the Borrower in connection with the Project prior to the issuance of the Bonds from a portion of the proceeds of the Bonds, when and if the Bonds are issued; and

**WHEREAS**, it is intended by the Authority that this Resolution constitutes such official intent with respect to the reimbursement, from proceeds of the Bonds, of those certain capital expenditures the Borrower has and will incur prior to the issuance of the Bonds as provided in Section 4 and 5 herein.

**NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, AS FOLLOWS:**

**SECTION 1.** The recitals set forth above are adopted by the Authority as the findings of the Authority and are incorporated herein.

**SECTION 2.** The Authority is authorized and empowered by the Act and Article V, Division 3, Sections 2-181 et seq., Palm Beach County Code of Ordinances (the "Ordinance") to adopt this Resolution and to enter into transactions such as those contemplated by the Borrower in

connection with the financing of the costs of the Project through the issuance of the Bonds, and to fully perform the obligations of the Authority to be undertaken in connection with the financing of the costs of the Project through the issuance of the Bonds in order to assist in alleviating the shortage of housing and of capital to finance the construction and/or rehabilitation of affordable housing in Palm Beach County, Florida, and this Resolution is adopted and such actions are to be taken pursuant to the provisions of the Act and the Ordinance.

**SECTION 3.** The statements contained in this Resolution with respect to the reimbursement of the capital expenditures referred to in this Resolution are intended to be the Authority's statements of official intent as required by, and in conformance with, the provisions of Section 1.150-2(e) of the Regulations. The expression of official intent set forth herein is made in reliance upon the representation of the Borrower that it reasonably expects to pay with its own funds or incur expenses in connection with the Project prior to the issuance of the Bonds and to be reimbursed for those expenses from the proceeds of the Bonds.

**SECTION 4.** All of the capital expenditures to be reimbursed in connection with the Project pursuant to this Resolution from proceeds of the Bonds that are issued as tax exempt obligations, will be for costs that (a) are properly chargeable to the capital account of the Borrower under general income tax principles, (b) constitute non-recurring working capital expenditures (of a type not customarily payable from current revenues), or (c) are costs of issuing the Bonds and will meet the requirements of the Code in that such capital expenditures have been or will be incurred on and after the date that is sixty (60) days before the date of adoption of this Resolution.

**SECTION 5.** The Authority reasonably expects to use a portion of the proceeds of the Bonds, when and if issued, to reimburse the Borrower for the capital expenditures contemplated under this Resolution made prior to not earlier than sixty (60) days prior to the adoption of this Resolution, and no funds from sources other than the "reimbursement bond issue" (as such term has the meaning assigned to it under the Regulations) portion of the bonds are, or are reasonably expected to be, reserved, allocated on a long term basis, or otherwise set aside by the Authority pursuant to the Authority's policies to pay for such capital expenditures.

**SECTION 6.** The Authority will direct the Borrower, upon receipt of the proceeds of the Bonds (or within thirty (30) days thereafter), to allocate in writing the amount of proceeds of the Bonds (i.e., the reimbursement bond issue) used to reimburse the costs of the Project (herein, the "Prior Expenditures"). Such allocation will be accomplished within the later of (a) eighteen months from the earliest date such Prior Expenditures were incurred or (b) the date the construction and equipping of the Project is substantially completed (but in no event later than three (3) years after the first Prior Expenditure was made).

**SECTION 7.** The maximum principal amount of Bonds expected to be issued for the financing of the costs of the acquisition, construction and equipping of the Project through the issuance of the Bonds is \$10,000,000.

**SECTION 8.** The adoption of this Resolution does not in any way entitle or create any rights in or for Borrower other than as set forth herein and the terms of this Resolution shall not constitute final approval of the financing of the costs of the Project or authorization for the

Authority to issue the Bonds; such approval and authorization shall be considered by the Authority by other appropriate regulatory bodies in subsequent proceedings as required by applicable law and regulations and shall be contingent upon, among other things:

(A) The execution by the Borrower of a loan or financing agreement with the Authority in a form and substance and on terms acceptable to the Authority, including adequate provision being made for the operation, repair and maintenance of the Project at the expense of the Borrower and for the payment of the principal of, premium, if any, and interest on the Bonds and reserves, if any, therefor;

(B) The Authority's final determination that the proposal of the Borrower otherwise complies with all of the provisions of the Act and the policies of the Authority; and

(C) Unless waived by the Authority, in compliance with the Authority's policies and guidelines, either (i) the provision by the Borrower of credit enhancement to secure the Bonds and a rating acceptable to the Authority from rating agencies acceptable to the Authority, obtained by the Borrower with respect to the Bonds, or (ii) the private placement of the Bonds with an institutional investor acceptable to the Authority.

**SECTION 9.** Attached hereto as Exhibit A is the form of Memorandum of Agreement to be entered into by and between the Authority and the Borrower (the "Agreement"). The Borrower's agreement to enter into and perform under the Agreement shall be a condition precedent for the General Counsel to the Authority, Bond Counsel and the Executive Director of the Authority to take any actions with respect to the preparation of any documents to be used in connection with the financing of the costs of the Project through the issuance of the Bonds. The Agreement, in the form attached hereto as Exhibit A, is hereby approved. The Chairperson or, in the Chairperson's absence, any other member of the Authority, is hereby authorized to execute and deliver the Agreement, the execution thereof by the Authority being conclusive evidence of the approval of the form of such Agreement.

**SECTION 10. IT IS EXPRESSLY STATED AND AGREED THAT THE ADOPTION OF THIS RESOLUTION IS NOT A GUARANTY, EXPRESS OR IMPLIED, THAT THE AUTHORITY SHALL APPROVE THE ISSUANCE OF THE BONDS FOR THE FINANCING OF THE COSTS OF THE PROJECT. THIS RESOLUTION IS QUALIFIED IN ITS ENTIRETY BY THE PROVISIONS OF THE ACT, OR ANY SUBSEQUENTLY ENACTED OR EFFECTIVE LEGISLATION CONCERNING A STATE VOLUME CEILING ON MULTIFAMILY HOUSING BONDS. THE BORROWER SHALL HOLD THE AUTHORITY AND ITS PAST, PRESENT AND FUTURE MEMBERS, OFFICERS, STAFF, ATTORNEYS, FINANCIAL ADVISORS, AND EMPLOYEES HARMLESS FROM ANY LIABILITY OR CLAIM BASED UPON THE FAILURE OF THE AUTHORITY TO CLOSE THE TRANSACTION AND ISSUE THE BONDS OR FROM ANY OTHER CAUSE OF ACTION ARISING FROM THE ADOPTION OF THIS RESOLUTION, THE PROCESSING OF THE FINANCING OF THE COSTS OF THE PROJECT THROUGH THE ISSUANCE OF THE BONDS EXCEPT FOR**

**THE GROSS NEGLIGENCE OR WILLFUL AND WANTON MISCONDUCT OF THE AUTHORITY.**

**SECTION 11.** To the extent deemed necessary by Bond Counsel to the Authority or by General Counsel to the Authority, General Counsel and/or Bond Counsel to the Authority are authorized to institute appropriate proceedings for the validation of the Bonds pursuant to Chapter 75, Florida Statutes.

**SECTION 12.** The Authority has no jurisdiction regarding zoning and land use matters and the adoption of the Resolution is not intended to express any opinion regarding same.

**SECTION 13.** All resolutions or parts thereof, of the Authority in conflict herewith are, to the extent of such conflict, hereby modified to the extent of such conflict.

**SECTION 14.** This Resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** this 23rd day of July, 2021.

**HOUSING FINANCE AUTHORITY OF PALM  
BEACH COUNTY, FLORIDA**

By: \_\_\_\_\_  
Chairperson / Vice Chairperson

ATTEST:

\_\_\_\_\_  
[Assistant] Secretary



**EXHIBIT A**  
**FORM OF MEMORANDUM OF AGREEMENT**

**APPLICATION**

**HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA  
MULTIFAMILY RENTAL HOUSING BOND PROGRAM PROJECT  
APPLICATION FORM**

**A. Developer Information:**

1. Applicant Name: CP Renaissance, LLC
2. Name of Owner for Inducement Resolution: CP Renaissance, LLC
3. Type of Entity (e.g. Florida Corporation, limited partnership, etc.): LLC Ownership chart of the Entity including individual principals is provided as “**Exhibit A**”.
4. Address: 510 24<sup>th</sup> Street, West Palm Beach, FL 33407
5. Contact Person: Terri Murray, Executive Director
6. Telephone: 561-832-6776 x102
7. E-mail address: tmurray@neighborhoodrenaissance.org

**B. Project Information**

1. Project Name: Coleman Park Renaissance

NOTE: After Inducement, Project name MAY NOT BE CHANGED OR ALTERED WITHOUT CONSENT OF THE AUTHORITY. If available, provide the actual trade, 'marking' or d/b/a name.

2. Project Street Address/Zip Code (if new construction, give street names, city and zip code): 4 Scattered sites along North Tamarind Avenue, 33407 A list of the sites is attached as “**Exhibit B**”
3. County Commission District in which Project is Located: 7

**C. Project Category and Population:**

1. Choose all that apply:

New Construction ☒ Acquisition ☐ Remarketing ☐  
Rehabilitation ☐ Refunding ☐ Acquisition/Rehab ☐

(a) If acquisition or acquisition/rehab was selected, is the project occupied?  
 No ☐ Yes ☐ If yes include plan for temporary relocation of existing tenants as “**Exhibit** ”

2. Is the Project designated to serve a specific target group (i.e. elderly, disabled)? No ☒ Yes ☐ If yes, please specify and indicate an minimum age requirements of household members:

**D. Project Status:**

Has construction begun? No ☒ Yes ☐ Date permits issued

Is the project complete? No ☒ Yes ☐ Date CO issued

**E. Number of Units:**

Total Number of Units: 42

Number of Residential Units: 42

Number of Set-Aside Units: 21

Percent of Set-Aside units: 50% **F.**

**Manager/Employee Units:**

Are there one or more manager or employee units in the Project?

No ☒ Yes ☐ If yes, how many? Unit Type(s):

**G. Breakdown of Units by Square Footage and Monthly Rent Charged.**

All units in the Project must be listed including all manager/employee units. Indicate manager/employee units with an asterisk.

# of Bedrms /Unit	# of Baths /Unit	Sq. Ft. /Unit	# of Units Per BR/BA type	% of Area Median Income	Monthly Gross Rent for Set- Aside Units*	Less Utility Allow. (for LIHTC Project )	Net Rent for Set- Aside Units	Monthly Market Rent+
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1	1	750	2	22	353	89	264	
1	1	750	2	30	481	89	392	
1	1	750	2	60	963	89	874	
1	1	750	6	70	1,124	89	1,035	
2	2	900	2	22	424	106	318	
2	2	900	4	30	578	106	472	
2	2	900	5	60	1,156	106	1,050	
2	2	900	11	70	1,349	106	1,243	
3	2	1100	1	22	489	129	360	
3	2	1100	1	30	667	129	538	
3	2	1100	2	60	1,335	129	1,206	
3	2	1100	4	70	1,558	129	1,429	

\* NOTE: For any Project anticipating the use of tax credits, gross rents include the net rent plus the allowance for tenant-paid utilities for set-aside units. These rents may not exceed the allowable rents for the chosen set-aside as shown on the applicable rent charts by the FHFC. Rents will be capped based on set-aside chosen below or if lower due to other funding source(s).

Utility allowance of \$89 1 bedroom \$106 2 bedroom \$129 3 bedroom 4 bedroom

+ NOTE: Answer for market rate units only.

**H. Proposed minimum Set-aside required for Tax Exempt Bond Financing.**

CHOOSE ONLY ONE:

☐ 20% of units at 50% of area median income

☒ 40% of units at 60% of area median income

**I. Describe Project:**

Coleman Park Renaissance will be a scattered site residential rental consisting of 5 buildings of 3 stories each on 4 development sites along Tamarind Avenue in WPB. The project will include 12 one bedroom one bath units, 22 two bedroom two bath units and 8 three bedroom three bath units.

**J. Describe Project Features, Amenities and any Resident Programs that will be provided:**

The project will have a playground, covered gazebo, and a community room. In addition we will provide resident programs consisting of Adult Literacy, Employment Assistance and Financial Management. As part of the FHFC SAIL funding we will be providing up to 4 units for Special Needs Households and up 5 units under the NHTF funding. We will enter into an MOU with Community Partners for the referral of those units. The Special Needs

Households will consist of individuals or families that are considered Homeless, a survivor of Domestic Violence, a Person with a Disability or Youth Aging Out of Foster Care.

**K. Will any units be accessible to the handicapped?**

Yes ☒ No ☐ How many? 2

**L. Type of Building(s):**

Elevator ☐ Walkup ☒ Townhouse ☐  
☐ Detached Semi-detached ☐

**M. Style of building(s), number of buildings and number of stories:**

Garden Style, 5 buildings on 4 sites and each will consist of 3 stories.

**N. Does the current Land Use and Zoning permit the proposed development at the proposed Density?**

Yes ☒ No ☐

If no, explain:

**O. Project Financing And Proposed Structure:**

1. Overview of Proposed Financing Summary:

NOTE: Material changes in the proposed structure after submittal of the application may result in delay of consideration by the Authority or loss of priority

	Check If app.	Amount	% of Project Cost
Tax-exempt Bonds	<input checked="" type="checkbox"/>	6,500,000	52.61%
Taxable Bonds	<input type="checkbox"/>		
SAIL	<input checked="" type="checkbox"/>	2,940,000	23.8%
HOME (State Funds)	<input type="checkbox"/>		
HOME (Identify Local Funds)	<input type="checkbox"/>		
CDBG	<input type="checkbox"/>		
SHIP	<input type="checkbox"/>		

LIHTC Equity (4% credits)	<input checked="" type="checkbox"/>	4,546,462	36.80%
Other-ELI Funding (FHFC)	<input checked="" type="checkbox"/>	571,300	4.62%
Other-NHTF Funding (FHFC)	<input checked="" type="checkbox"/>	1,196,493	9.68%
<b>Total</b>	<input type="checkbox"/>		

Briefly describe sources listed above:

The above are total sources for the project, however the \$6,500,000 in bonds are during the construction period and will be reduced at permanent conversion to \$3,100,000. The NHTF funding was awarded but the amount is subject to change. The NHTF funding is used to subsidize 5 units at 22% AMI levels. 2. Subordinate Financing:

- (a) If SAIL, HOME, CDBG, FHLB, SHIP and/or other funding is shown as already committed, attach a letter from the appropriate governmental entity detailing the commitment, including the dollar amount, source of funding, conditions of funding (including income and/or rent restrictions), whether the funding is a loan or a grant, and if a loan, the interest rate, loan terms, amortization, and payback schedule. Attach the letter(s) as an exhibit. Said letter shall be attached hereto as **“Exhibit C.”**
- (b) If SAIL, HOME, CDBG FHLB, SHIP and/or other funding is shown and is not firmly committed, attach an explanation of how the development will be completed without those funds. Said explanation shall be attached as **“Exhibit.”**
- (c) Does the Applicant firmly commit to complete the bond financing if those funds are not received? Yes ☒ No ☐

4. Tax Credits - If the Project receives Bond financing, will LIHTC be used?

Yes ☒ No ☐

(a) If yes, LIHTC Requested Amount \$5,108,895

(b) If yes, name of Syndicator: Alliant Capital

A preliminary commitment letter, including general terms such as a description of how the syndication funding will be paid out during construction and following completion, must be attached hereto. Said letter shall be attached hereto as **“Exhibit D.”**

- (c) Is the project located in a QCT/DDA/ZCTA/RECAP: Yes ☒ No ☐  
If yes evidence of such designations are attached as **“Exhibit’s E.”**

(d) If the project is subject to a FHFC location restriction (LDA) area attach a description as **“Exhibit .”**

5. Rental Assistance. Is project-based rental assistance anticipated for this Project? No ☒  
Yes ☐

If yes, check all that apply:

Moderate Rehab ☐ RD 515 ☐  
Section 8 ☐ Other ☐

Number of units receiving assistance

Number of years remaining on rental assistance contract:

Number of years expected for new rental assistance contract:

6. Credit Enhancement or bond purchaser:

Describe any letter of credit, third party guarantor, bond purchaser, private placement agent, housing program funding (FHA-insured loan, Fannie Mae or Freddie Mac), surety bond or other financing enhancements anticipated for this project, including, but not limited to the name of the party providing such financing/credit enhancement, the rating of such provider and the term of such financing/credit enhancement:

A preliminary commitment letter/term sheet from the provider of such financing/credit enhancement shall be attached hereto as **“Exhibit F”**

7. Proposed bond structure:

The proposed bond structure would be a direct purchase of tax exempt bonds by R4 Capital Funding. The loan provided by the bond sale will have a fixed rate and be interest only during the construction period with a 35 year amortization thereafter over a 16 year term.

Type of interest rate expected: fixed ☒ floating ☐

Term of Bonds including option put: 16 years

Estimated interest terms: 4.75%

Placement structure: private placement ☒ public offering ☐

8. Economic Feasibility of the Project:

A description of the Project feasibility structure shall be attached hereto as “**Exhibit G**” including, at a minimum, the following:

- (a) Pro forma cash flows at maximum interest rate at which Project will work;
- (b) Detailed sources and uses, including developer's fees, overhead and all hard and soft costs.
- (c) The maximum annual debt service at which the Applicant commits to proceed: \$223,024
- (d) The minimum principal amount of tax exempt bonds the Applicant will accept to proceed with the Project: \$6,500,000

**P. Proposed Project Schedule**

<u>Activity</u>	<u>Date</u>
HFA board meeting to consider application	7/23/2021
Final site plans & architectural drawings	11/30/2021
Complete third party credit underwriting	3/31/2022
Approval of subordinate financing	5/31/2022
All other necessary local approvals	6/30/2022
Obtain Credit Enhancement/Bond Purchase Commitment	6/30/2022
HUD approvals (if applicable)	
Issue bonds	7/29/2022
Start construction or rehabilitation	8/1/2022
Complete construction or rehabilitation	5/31/2023
Start rent-up	5/31/2023
Complete rent-up	7/31/2023

**Q. Ability To Proceed**

Each Application shall be reviewed for feasibility and ability of the Applicant to proceed with construction of the Project.



1. Site Control

Site Control must be demonstrated by the Applicant through bond closing or termination of the Memorandum of Agreement. At a minimum, a Contract for Purchase and Sale or long-term lease must be held by the Applicant for the proposed site. A purchase contract must include the following: (i) the remedy for default on the part of the seller must include or be specific performance, (ii) the buyer MUST be the Applicant and, (iii) other than clear title, the only permissible contingency for seller or assignor to transfer the site to the Applicant is the award of bond financing.

Site is controlled by: Developer; CP Renaissance, LLC

Evidence of Site Control shall be attached hereto as “**Exhibit H**” and shall be in the form of either:

- (a) Contract for Purchase and Sale or long-term land lease agreement (a Title Insurance Commitment may be requested to show marketable title in the name of the Seller).
- (b) Deed (a Title Insurance Policy Showing marketable title in the name of the Applicant may be requested).

2. Zoning and Land Development Regulations:

NOTE: Applicant must provide documentation that the site is appropriately zoned and consistent with local land use regulations regarding density and intended use.

- (a) Is the site appropriately zoned for the proposed Project?  
No ☐ Yes ☒
- (b) Indicate zoning designation(s): CP-NC
- (c) Current zoning permits 32 units per acre, or                  units for the site (PUD).
- (d) Total number of Units in Project: 42
- (e) A letter from the appropriate local government official verifying i.) the zoning designation, ii.) that the proposed number of units and intended use are consistent with current land use regulations and referenced zoning designation shall be attached hereto as “**Exhibit I**”

3. Site Plan:

- (a) New Construction: Has the preliminary or conceptual site plan been approved by the appropriate local government authority?

Yes ☐ No ☒

If yes, a copy of the approved site plan shall be attached hereto as  
“**Exhibit** .”

If no, local approval is expected on: and a letter from the appropriate local government official indicating preliminary or conceptual site plan, or if no neither preliminary or conceptual approval is given prior to final site plan approval, a description of status of the local government review of the Project shall be attached hereto as “**Exhibit J**”

- (b) Rehabilitation: Was site plan approval required by local governmental authorities at the time this Project was originally placed in service?

Yes ☐ No ☐

4. Environmental:

Has an Environmental Assessment been completed and if so describe any required remedial action necessary: **No**

5. Concurrency:

Project-specific letters from the local government or provider verifying availability of infrastructure and capacity (water, sewer, road, and school) for the proposed Project shall be attached hereto as “**Exhibit’s K.**”

**R. Other Information:**

- (a) Do you presently have an application for this project submitted elsewhere or has this project been denied financing elsewhere?

Yes ☐ No ☒

- (b) How many and what type of projects have you completed in the Palm Beach County? 1) Mango Cove is two 3-story 36 unit apartment buildings set aside for low and moderate income families; 2) We acquired and rehabilitated 82 scattered site residential rental units using roughly \$12.5 Million in NSP from Palm Beach County.

- (c) Applicant/borrower GP: Firm: CP Renaissance, LLC  
Phone: 561-832-6776  
Natural principals: Terri Murray, Executive Director of Sole Member of Managing Member  
Contact Person: Terri Murray

- (d) Developer:  
Firm: Neighborhood Renaissance, Inc.  
Phone: 561-832-6776  
Natural principals: (see board list in Exhibit A) Contact  
Person: Terri Murray
- (e) Proposed Architect:  
Firm: South East Architect Services, Inc,  
Phone: 954-797-2821  
Contact Person: Larry Kramer
- (f) Proposed Managing Agent:  
Firm: Royal American Management, Inc.  
Phone: 850-914-8472  
Contact Person: Amy Ausley
- (g) Proposed General Contractor:  
Firm: JWR Construction Services, Inc.  
Phone: 954-480-2800  
Contact Person: Josie Correa
- (h) Proposed Developer's Attorney:  
Firm: Ward Damon  
Phone: 561-842-3000  
Contact Person: Cathleen Ward
- (i) Proposed Investment Banker (see Authority "Bond Underwriter  
Selection Policy") or private placement bond purchaser:  
Firm: R4 Capital Funding  
Phone: 646-844-0935  
Contact Person: James D. Spound
- (j) Proposed Credit Underwriter:  
Firm: First Housing Development Corp.  
Phone: 813-283-1049  
Contact Person: Stephanie Petty
- (k) Provide the following for the property/project seller or lessor:  
Entity: Neighborhood Renaissance, Inc.  
Phone: 561-832-6776  
Contact Person: Terri Murray

[Remainder of page intentionally left blank]

**Certificate of Understanding**

I, Terri Murray, Executive Director, representing Neighborhood Renaissance, Inc and CP Renaissance, LLC, have read and understand the federal requirements and the Housing Finance Authority of Palm Beach County, Florida's Guidelines for Issuance of Multi-Family Housing Revenue Bonds, and hereby adhere thereto. Furthermore, I hereby certify that the information contained in the Application is true and correct to the best of my knowledge.

Dated on this \_\_\_\_th day of July, 2021. 6

By: Terri Murray

Printed Name: Terri Murray Title:  
Executive Director



**RESOLUTION NO. R-2021-12**

**A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY (THE “AUTHORITY”) DECLARING THE AUTHORITY’S PRELIMINARY INTENT TO ISSUE ITS NOT TO EXCEED \$6,500,000 MULTIFAMILY HOUSING REVENUE BONDS, NOTES OR OTHER EVIDENCES OF INDEBTEDNESS (IN ANY EVENT REFERRED TO HEREIN AS THE “BONDS”) WHICH MAY BE ISSUED IN ONE OR MORE SERIES TO OBTAIN FUNDS TO BE LOANED TO CP RENAISSANCE, LLC (THE “BORROWER”), ITS SUCCESSORS OR ASSIGNS, FOR THE FINANCING OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A QUALIFYING HOUSING DEVELOPMENT IN THE CITY OF WEST PALM BEACH, PALM BEACH COUNTY, TO BE KNOWN AS COLEMAN PARK RENAISSANCE; INDICATING THE AUTHORITY’S OFFICIAL INTENT TO USE A PORTION OF THE PROCEEDS OF SUCH BONDS TO REIMBURSE CERTAIN EXPENDITURES PAID OR INCURRED PRIOR TO THE DATE OF ISSUANCE THEREOF; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF AGREEMENT; AUTHORIZING VALIDATION OF THE BONDS, IF SO REQUIRED; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, pursuant to the provisions of the Florida Constitution, Part IV of Chapter 159, Florida Statutes, as amended and supplemented, and other applicable provisions of law (the “Act”) and the policies of the Housing Finance Authority of Palm Beach County, Florida (the “Authority”), CP Renaissance, LLC, a Florida limited liability company (the “Borrower”), has submitted a request to the Authority requesting that the Authority issue, pursuant to the provisions of the Act, multifamily housing revenue bonds, notes or other evidences of indebtedness to finance the costs of the acquisition, construction and equipping of approximately 42 unit multifamily rental housing facilities to be known as Coleman Park Renaissance, to be located at the following addresses in the City of West Palm Beach, Palm Beach County, Florida 33407 (the “Project”), to be rented to qualified persons and families as required by the Act and the Internal Revenue Code of 1986, as amended (the “Code”) in Palm Beach County, Florida:

918 22<sup>nd</sup> Street 2212 N.  
Tamarind Ave.  
933 21<sup>st</sup> St.  
1004 19<sup>th</sup> St.  
1977 N. Tamarind Ave.  
1945 N. Tamarind Ave.

1002 Grant St.  
1001 State St.  
1940 N. Tamarind Ave.  
1980 N. Tamarind Ave.  
910 19<sup>th</sup> St.; and

**WHEREAS**, the Authority desires, as requested by the Borrower, to declare its preliminary intent to issue, in one or more series, its Multifamily Housing Revenue Bonds in the initial aggregate principal amount of not exceeding \$6,500,000 (or such other debt instrument as may be allowed by the Act and approved by Bond Counsel and the Authority's counsel, herein, the "Bonds") pursuant to the limitations and conditions set forth in this Resolution and in subsequent resolutions and other instruments of the Authority, which amount the Borrower has represented will, together with other available funds of the Borrower, be sufficient to finance the acquisition, construction and equipping of the Project; and

**WHEREAS**, the Bonds will be secured by amounts payable under the terms of a loan or financing agreement between the Authority and the Borrower providing for payments in amounts or other collateral sufficient to pay and secure the principal of, premium, if any, and interest on the Bonds as the same become due and payable, and/or such other security as shall be acceptable to the Authority; and

**WHEREAS**, it is intended by the Authority that the interest on the Bonds will be excludable from gross income for federal income tax purposes; and

**WHEREAS**, the action taken by this Resolution does not constitute final approval of the financing of the costs of the Project or of the issuance of the Bonds and is not an absolute commitment by the Authority to issue the Bonds; and

**WHEREAS**, the Authority's approval of the financing of the costs of the Project will be effected in accordance with applicable law and regulations and the financial terms, security for the repayment of the Bonds, restrictions on transferability, if applicable, and other matters will be determined and/or approved by subsequent proceedings of the Authority and by other appropriate regulatory bodies as may be required by applicable law and regulations, including but not limited to, approval by the Board of County Commissioners of Palm Beach County, Florida of certain matters relating thereto; and

**WHEREAS**, the Authority has been informed by the Borrower that it has and anticipates that it will incur certain capital expenditures relating to the Project prior to the issuance of the Bonds by the Authority; and

**WHEREAS**, such capital expenditures will be paid from the Borrower's own money or from the proceeds of a taxable financing; and

**WHEREAS**, the Code and applicable regulations (the “Regulations”) require the Authority to declare its official intent to allow the Borrower to be reimbursed for certain capital expenditures incurred by the Borrower in connection with the Project prior to the issuance of the Bonds from a portion of the proceeds of the Bonds, when and if the Bonds are issued; and **WHEREAS**, it is intended by the Authority that this Resolution constitutes such official intent with respect to the reimbursement, from proceeds of the Bonds, of those certain capital expenditures the Borrower has and will incur prior to the issuance of the Bonds as provided in Section 4 and 5 herein.

**NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, AS FOLLOWS:**

**SECTION 1.** The recitals set forth above are adopted by the Authority as the findings of the Authority and are incorporated herein.

**SECTION 2.** The Authority is authorized and empowered by the Act and Article V, Division 3, Sections 2-181 et seq., Palm Beach County Code of Ordinances (the “Ordinance”) to adopt this Resolution and to enter into transactions such as those contemplated by the Borrower in connection with the financing of the costs of the Project through the issuance of the Bonds, and to fully perform the obligations of the Authority to be undertaken in connection with the financing of the costs of the Project through the issuance of the Bonds in order to assist in alleviating the shortage of housing and of capital to finance the construction and/or rehabilitation of affordable housing in Palm Beach County, Florida, and this Resolution is adopted and such actions are to be taken pursuant to the provisions of the Act and the Ordinance.

**SECTION 3.** The statements contained in this Resolution with respect to the reimbursement of the capital expenditures referred to in this Resolution are intended to be the Authority’s statements of official intent as required by, and in conformance with, the provisions of Section 1.150-2(e) of the Regulations. The expression of official intent set forth herein is made in reliance upon the representation of the Borrower that it reasonably expects to pay with its own funds or incur expenses in connection with the Project prior to the issuance of the Bonds and to be reimbursed for those expenses from the proceeds of the Bonds.

**SECTION 4.** All of the capital expenditures to be reimbursed in connection with the Project pursuant to this Resolution from proceeds of the Bonds that are issued as tax exempt obligations, will be for costs that (a) are properly chargeable to the capital account of the Borrower under general income tax principles, (b) constitute non-recurring working capital expenditures (of a type not customarily payable from current revenues), or (c) are costs of issuing the Bonds and will meet the requirements of the Code in that such capital expenditures have been or will be incurred on and after the date that is sixty (60) days before the date of adoption of this Resolution.

**SECTION 5.** The Authority reasonably expects to use a portion of the proceeds of the Bonds, when and if issued, to reimburse the Borrower for the capital expenditures contemplated under this Resolution made prior to not earlier than sixty (60) days prior to the adoption of this Resolution, and no funds from sources other than the “reimbursement bond issue” (as such term has the meaning assigned to it under the Regulations) portion of the bonds are, or are reasonably



expected to be, reserved, allocated on a long term basis, or otherwise set aside by the Authority pursuant to the Authority's policies to pay for such capital expenditures.

**SECTION 6.** The Authority will direct the Borrower, upon receipt of the proceeds of the Bonds (or within thirty (30) days thereafter), to allocate in writing the amount of proceeds of the Bonds (i.e., the reimbursement bond issue) used to reimburse the costs of the Project (herein, the "Prior Expenditures"). Such allocation will be accomplished within the later of (a) eighteen months from the earliest date such Prior Expenditures were incurred or (b) the date the construction and equipping of the Project is substantially completed (but in no event later than three (3) years after the first Prior Expenditure was made).

**SECTION 7.** The maximum principal amount of Bonds expected to be issued for the financing of the costs of the acquisition, construction and equipping of the Project through the issuance of the Bonds is \$6,500,000.

**SECTION 8.** The adoption of this Resolution does not in any way entitle or create any rights in or for Borrower other than as set forth herein and the terms of this Resolution shall not constitute final approval of the financing of the costs of the Project or authorization for the Authority to issue the Bonds; such approval and authorization shall be considered by the Authority by other appropriate regulatory bodies in subsequent proceedings as required by applicable law and regulations and shall be contingent upon, among other things:

(A) The execution by the Borrower of a loan or financing agreement with the Authority in a form and substance and on terms acceptable to the Authority, including adequate provision being made for the operation, repair and maintenance of the Project at the expense of the Borrower and for the payment of the principal of, premium, if any, and interest on the Bonds and reserves, if any, therefor;

(B) The Authority's final determination that the proposal of the Borrower otherwise complies with all of the provisions of the Act and the policies of the Authority; and

(C) Unless waived by the Authority, in compliance with the Authority's policies and guidelines, either (i) the provision by the Borrower of credit enhancement to secure the Bonds and a rating acceptable to the Authority from rating agencies acceptable to the Authority, obtained by the Borrower with respect to the Bonds, or (ii) the private placement of the Bonds with an institutional investor acceptable to the Authority.

**SECTION 9.** Attached hereto as Exhibit A is the form of Memorandum of Agreement to be entered into by and between the Authority and the Borrower (the "Agreement"). The Borrower's agreement to enter into and perform under the Agreement shall be a condition precedent for the General Counsel to the Authority, Bond Counsel and the Executive Director of the Authority to take any actions with respect to the preparation of any documents to be used in connection with the financing of the costs of the Project through the issuance of the Bonds. The Agreement, in the form attached hereto as Exhibit A, is hereby approved. The Chairperson or, in the Chairperson's absence, any other member of the Authority, is hereby authorized to execute

and deliver the Agreement, the execution thereof by the Authority being conclusive evidence of the approval of the form of such Agreement.

**SECTION 10. IT IS EXPRESSLY STATED AND AGREED THAT THE ADOPTION OF THIS RESOLUTION IS NOT A GUARANTY, EXPRESS OR IMPLIED, THAT THE AUTHORITY SHALL APPROVE THE ISSUANCE OF THE BONDS FOR THE FINANCING OF THE COSTS OF THE PROJECT. THIS RESOLUTION IS QUALIFIED IN ITS ENTIRETY BY THE PROVISIONS OF THE ACT, OR ANY SUBSEQUENTLY ENACTED OR EFFECTIVE LEGISLATION CONCERNING A STATE VOLUME CEILING ON MULTIFAMILY HOUSING BONDS. THE BORROWER SHALL HOLD THE AUTHORITY AND ITS PAST, PRESENT AND FUTURE MEMBERS, OFFICERS, STAFF, ATTORNEYS, FINANCIAL ADVISORS, AND EMPLOYEES HARMLESS FROM ANY LIABILITY OR CLAIM BASED UPON THE FAILURE OF THE AUTHORITY TO CLOSE THE TRANSACTION AND ISSUE THE BONDS OR FROM ANY OTHER CAUSE OF ACTION ARISING FROM THE ADOPTION OF THIS RESOLUTION, THE PROCESSING OF THE FINANCING OF THE COSTS OF THE PROJECT THROUGH THE ISSUANCE OF THE BONDS EXCEPT FOR THE GROSS NEGLIGENCE OR WILLFUL AND WANTON MISCONDUCT OF THE AUTHORITY.**

**SECTION 11.** To the extent deemed necessary by Bond Counsel to the Authority or by General Counsel to the Authority, General Counsel and/or Bond Counsel to the Authority are authorized to institute appropriate proceedings for the validation of the Bonds pursuant to Chapter 75, Florida Statutes.

**SECTION 12.** The Authority has no jurisdiction regarding zoning and land use matters and the adoption of the Resolution is not intended to express any opinion regarding same.

**SECTION 13.** All resolutions or parts thereof, of the Authority in conflict herewith are, to the extent of such conflict, hereby modified to the extent of such conflict.

**SECTION 14.** This Resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** this 23rd day of July, 2021.

**HOUSING FINANCE AUTHORITY OF PALM  
BEACH COUNTY, FLORIDA**

By: \_\_\_\_\_  
Chairperson / Vice Chairperson

ATTEST:

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[Assistant] Secretary

**EXHIBIT A**  
**FORM OF MEMORANDUM OF AGREEMENT**

47604265v2

## Tab 4

### VII. Other Matters - attachments

- a. Matters of Executive Director – memo and various SEE exhibits

To: Housing Finance Authority

From: Executive Director

RE: July 23, 2021 meeting - Matters of Executive Director

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### 2021 Florida legislative action on the Sadowski Housing Trust Fund

As most of you know from reading the posts of the Sadowski Education Effort (“SEE”) from the Florida Housing Coalition that I forwarded during the 2021 legislative session, this was a markedly different year for the Housing Trust Fund (“HTF”). First, the new legislation does away with sweeps of the HTF and makes the appropriation of the documentary stamp revenue a recurring budget item rather than non-recurring, which it has been since its origin in 1992. On the downside, the amount that will now go to the HTF is less than half of what it was previously. The projected amount for 2022 would have been \$423M and is now about \$209M.

**SEE and proposed affordable housing bills for 2022 Florida legislative session presentation by Suzanne Cabrera – President and CEO of the Housing Leadership Council of PBC**

The HFA board and staff have benefitted from a close relationship over the past five or more years with the Housing Leadership Council of PBC. Authority general Skip Miller serves as one of 21 board members of the organization which was formed by four of the chambers of commerce, the Economic Council of PBC, the Workforce Alliance and the Business Development Board for the purpose of supporting housing opportunities for all residents of PBC through education, advocacy and facilitating partnerships. This has included at least semi-annual updates from Suzanne Cabrera, who is also Board Chair of the Florida Housing Coalition, on both local and state-wide affordable housing initiatives and funding as well as legislative and governmental advocacy.

**PBC Homeless facilities presentation by James Green – PBC Community Services Director**

You may recall that during the discussion of “The Cottage Homes” project of the WPBHA at the June meeting, the Chair asked if it would be possible to invite Mr. Green to brief the board on other PBC plans for new homeless/temporary living facilities. I have reached out to but not confirmed his availability on July 23.

Page 1 of 1

The following table describes the annual funds collected and funds appropriated, as well as amounts “swept” or transferred from the housing trust funds: (Source- FHFC, Collections Appropriations & Sweeps Summary, Feb.9, 2021, on file with the Senate Committee on Finance and Tax.) Notes are from SB 510 legislative staff analysis.

Year	Notes	TOTAL HOUSING TRUST FUNDS			
		Collections	Appropriations	Legislative Sweep	Cap Sweep / SEED
1992 / 1993		41,006,550	36,200,000	-	-
1993 / 1994		51,033,448	47,000,000	-	-
1994 / 1995		45,536,407	50,666,438	-	-
1995 / 1996		108,049,916	112,916,468	-	-
1996 / 1997		121,471,040	127,369,767	-	-
1997 / 1998		145,209,025	121,033,630	-	-

1998 / 1999		169,882,688	169,389,410	-	-
1999 / 2000		176,464,510	186,576,276	-	-
2000 / 2001		191,415,135	186,671,276	-	-
2001 / 2002		228,117,990	195,521,212	12,000,000	-
2002 / 2003		294,552,125	246,600,168	-	-
2003 / 2004		390,167,300	192,171,717	120,896,937	-
2004 / 2005		502,045,358	192,892,623	220,800,000	-
2005 / 2006		606,244,598	442,892,623	-	-
2006 / 2007		452,308,119	433,000,000	-	-
2007 / 2008	A A	243,000,000	390,400,000	-	46,506,007
2008 / 2009	B B	167,581,340	69,304,577	440,000,000	-
2009 / 2010		159,088,774	31,279,989	91,900,000	-
2010 / 2011		170,713,220	37,500,000	174,310,000	-
2011 / 2012		186,756,959	-	189,531,109	-
2012 / 2013	C	168,122,265	10,000,000	96,660,000	75,000,000
2013 / 2014	C	193,073,850	-	204,130,000	75,000,000
2014 / 2015	C	238,951,609	167,660,000	106,151,367	75,000,000
2015 / 2016	C	262,033,614	175,000,000	81,000,000	75,000,000
2016 / 2017	C, D	282,850,943	184,330,428	116,914,438	75,000,000
2017 / 2018	C	296,912,132	137,000,000	154,400,000	75,000,000
2018 / 2019	C	318,003,831	123,605,000	182,000,000	75,000,000
2019 / 2020	C	351,308,269	192,600,000	125,000,000	75,000,000
2020 / 2021	C, E, F	406,300,000	145,000,000	-	75,000,000
Totals		6,968,201,016	4,404,581,602	2,315,693,851	721,506,007

Notes:

A: The 2005 Legislature adopted a cap restricting the amount of revenue that could flow into the trust funds to \$243 million/year, with a mechanism for a small increase over time. Collections in excess of the cap amount were swept to general revenue. The cap went into effect in 2007 and was repealed in 2011. Collections shown are funds deposited into the trust funds; they do not include the amounts swept to General Revenue.

B: As a result of the economic recession, the Legislature held a special session in early 2009, adopting SB 2A to address the state budget shortfall. Appropriations are net of SB 2A reductions & collections a shortfall in collections. The

\$190 million payback of prior appropriations required by SB 2A is included as a reduction of Appropriations and as an increase in Leg. Sweep.

C: The State Economic Enhancement and Development (SEED) Trust Fund was created in 2011, with funds transferred to it beginning with FY 12/13. SEED funding may be used for infrastructure, job creation, affordable housing in accordance with chapter 420, economic development incentives for job creation and capital investment; and other purposes. The amounts in the Cap Sweep / SEED column represent doc stamp amounts deposited to SEED which would have otherwise been deposited to the housing trust funds.

D: Deposits to the trust funds were less than the full appropriation amount. The appropriation amount on this chart has been reduced to reflect this shortfall in available funds.

E: Collections amount is the December 2020 Revenue Estimating Conference estimate.

F: SHIP appropriation of \$225 million was vetoed by the Governor. These funds remain in the Local Government Housing Trust Fund and were not swept.



Projected SHIP Allocations Compared\*

	2021 / 2022					
	Governor's Proposed Budget		House/Senate Recommendation		Difference	
Local Government	County Total	County Share/ City Share	County Total	County Share/ City Share	County Total	County Share/ City Share
ALACHUA	3,820,680	1,920,274	1,162,159	584,101	(2,658,521)	(1,336,173)
Gainesville		1,900,406		578,058		(1,322,348)
BAKER	394,443	394,443	350,000	350,000	(44,443)	(44,443)
BAY	2,441,297	1,958,164	756,073	606,446	(1,685,224)	(1,351,718)
Panama City		483,133		149,627		(333,506)
BRADFORD	394,443	394,443	350,000	350,000	(44,443)	(44,443)
BREVARD	8,501,750	4,704,869	2,557,796	1,415,485	(5,943,954)	(3,289,384)
Cocoa		271,206		81,594		(189,612)
Melbourne		1,182,593		355,789		(826,804)
Palm Bay		1,661,242		499,793		(1,161,449)
Titusville		681,840		205,135		(476,705)
BROWARD	27,101,477	4,859,296	8,084,321	1,449,518	(19,017,156)	(3,409,778)
Coconut Creek		823,885		245,763		(578,122)
Coral Springs		1,813,089		540,841		(1,272,248)
Davie		1,474,320		439,787		(1,034,533)
Deerfield Beach		1,124,711		335,499		(789,212)
Fort Lauderdale		2,655,945		792,263		(1,863,682)
Hollywood		2,130,176		635,428		(1,494,748)
Lauderhill		1,016,305		303,162		(713,143)
Margate		832,015		248,189		(583,826)
Miramar		1,948,596		581,263		(1,367,333)
Pembroke Pines		2,368,669		706,570		(1,662,099)
Plantation		1,273,769		379,963		(893,806)

Projected SHIP Allocations Compared\*

Pompano Beach		1,585,436		472,933		(1,112,503)
Sunrise		1,322,552		394,515		(928,037)
Tamarac		926,871		276,484		(650,387)
Weston		945,842		282,143		(663,699)
CALHOUN	350,000	350,000	350,000	350,000	-	-
CHARLOTTE	2,637,084	2,350,697	814,419	725,973	(1,822,665)	(1,624,724)
Punta Gorda		286,387		88,446		(197,941)
CITRUS	2,085,294	2,085,294	653,384	653,384	(1,431,910)	(1,431,910)
CLAY	3,082,064	3,082,064	947,447	947,447	(2,134,617)	(2,134,617)
COLLIER	5,413,683	5,119,179	1,640,595	1,551,347	(3,773,088)	(3,567,832)
Naples		294,504		89,248		(205,256)
COLUMBIA	1,008,508	1,008,508	352,332	352,332	(656,176)	(656,176)
DE SOTO	518,994	518,994	350,000	350,000	(168,994)	(168,994)
DIXIE	350,000	350,000	350,000	350,000	-	-
DUVAL	13,770,182	13,770,182	4,126,133	4,126,133	(9,644,049)	(9,644,049)
ESCAMBIA	4,550,425	3,770,482	1,381,541	1,144,745	(3,168,884)	(2,625,737)
Pensacola		779,943		236,796		(543,147)
FLAGLER	1,604,741	347,747	506,352	109,726	(1,098,389)	(238,021)
Palm Coast		1,256,994		396,626		(860,368)
FRANKLIN	350,000	350,000	350,000	350,000	-	-
GADSDEN	652,506	652,506	350,000	350,000	(302,506)	(302,506)
GILCHRIST	350,000	350,000	350,000	350,000	-	-
GLADES	350,000	350,000	350,000	350,000	-	-
GULF	350,000	350,000	350,000	350,000	-	-

2021 / 2022		
Governor's Proposed Budget	House/Senate Recommendation	Difference

Projected SHIP Allocations Compared\*

Local Government	County Total	County Share/ City Share	County Total	County Share/ City Share	County Total	County Share/ City Share
HAMILTON	350,000	350,000	350,000	350,000	-	-
HARDEE	394,443	394,443	350,000	350,000	(44,443)	(44,443)
HENDRY	572,399	572,399	350,000	350,000	(222,399)	(222,399)
HERNANDO	2,690,489	2,690,489	828,423	828,423	(1,862,066)	(1,862,066)
HIGHLANDS	1,480,191	1,480,191	469,011	469,011	(1,011,180)	(1,011,180)
HILLSBOROUGH	20,729,465	15,221,646	6,196,244	4,549,902	(14,533,221)	(10,671,744)
Tampa		5,507,819		1,646,342		(3,861,477)
HOLMES	350,000	350,000	350,000	350,000	-	-
INDIAN RIVER	2,245,509	2,245,509	695,395	695,395	(1,550,114)	(1,550,114)
JACKSON	670,338	670,338	350,000	350,000	(320,338)	(320,338)
JEFFERSON	350,000	350,000	350,000	350,000	-	-
LAFAYETTE	350,000	350,000	350,000	350,000	-	-
LAKE	5,155,620	5,155,620	1,556,580	1,556,580	(3,599,040)	(3,599,040)
LEE	10,539,733	6,608,413	3,162,258	1,982,735	(7,377,475)	(4,625,678)
Cape Coral		2,630,717		789,300		(1,841,417)
Fort Myers		1,300,603		390,223		(910,380)
LEON	4,212,255	1,418,687	1,278,852	430,717	(2,933,403)	(987,970)
Tallahassee		2,793,568		848,135		(1,945,433)
LEVY	572,399	572,399	350,000	350,000	(222,399)	(222,399)
LIBERTY	350,000	350,000	350,000	350,000	-	-
MADISON	350,000	350,000	350,000	350,000	-	-
MANATEE	5,600,600	4,776,752	1,694,278	1,445,050	(3,906,322)	(3,331,702)
Bradenton		823,848		249,228		(574,620)
MARION	5,164,490	4,294,273	1,561,244	1,298,174	(3,603,246)	(2,996,099)
Ocala		870,217		263,070		(607,147)
MARTIN	2,272,211	2,272,211	704,728	704,728	(1,567,483)	(1,567,483)
MIAMI-DADE	25,252,350	16,234,736	7,514,628	4,831,154	(17,737,722)	(11,403,582)
Hialeah		2,138,874		636,489		(1,502,385)

Projected SHIP Allocations Compared\*

Miami		4,439,363		1,321,072		(3,118,291)
Miami Beach		838,378		249,486		(588,892)
Miami Gardens		1,020,195		303,591		(716,604)
North Miami		580,804		172,836		(407,968)
MONROE	1,088,616	1,088,616	359,327	359,327	(729,289)	(729,289)
NASSAU	1,248,739	1,248,739	398,992	398,992	(849,747)	(849,747)
OKALOOSA	2,850,612	2,556,144	877,429	786,791	(1,973,183)	(1,769,353)
Fort Walton Beach		294,468		90,638		(203,830)
OKEECHOBEE	572,399	572,399	350,000	350,000	(222,399)	(222,399)
ORANGE	19,830,635	15,642,405	5,930,188	4,677,732	(13,900,447)	(10,964,673)
Orlando		4,188,230		1,252,456		(2,935,774)
OSCEOLA	5,413,683	3,643,950	1,640,595	1,104,285	(3,773,088)	(2,539,665)
Kissimmee		1,057,834		320,572		(737,262)
St. Cloud		711,899		215,738		(496,161)
PALM BEACH	20,569,251	15,554,468	6,144,900	4,646,774	(14,424,351)	(10,907,694)
Boca Raton		1,334,944		398,804		(936,140)
Boynton Beach		1,100,455		328,752		(771,703)
Delray Beach		942,072		281,436		(660,636)
West Palm Beach		1,637,312		489,134		(1,148,178)
2021 / 2022						
	Governor's Proposed Budget		House/Senate Recommendation		Difference	
Local Government	County Total	County Share/ City Share	County Total	County Share/ City Share	County Total	County Share/ City Share
PASCO	7,602,919	7,602,919	2,289,401	2,289,401	(5,313,518)	(5,313,518)
PINELLAS	13,796,884	7,157,824	4,133,135	2,144,271	(9,663,749)	(5,013,553)
Clearwater		1,654,246		495,563		(1,158,683)
Largo		1,185,152		355,036		(830,116)

Projected SHIP Allocations Compared\*

St. Petersburg		3,799,662		1,138,265		(2,661,397)
POLK	10,023,516	7,832,376	3,010,556	2,352,448	(7,012,960)	(5,479,928)
Lakeland		1,531,593		460,013		(1,071,580)
Winter Haven		659,547		198,095		(461,452)
PUTNAM	1,035,211	1,035,211	354,663	354,663	(680,548)	(680,548)
ST. JOHNS	3,678,297	3,678,297	1,120,148	1,120,148	(2,558,149)	(2,558,149)
ST. LUCIE	4,523,723	1,051,313	1,369,869	318,357	(3,153,854)	(732,956)
Fort Pierce		624,274		189,042		(435,232)
Port St. Lucie		2,848,136		862,470		(1,985,666)
SANTA ROSA	2,601,511	2,601,511	798,084	798,084	(1,803,427)	(1,803,427)
SARASOTA	6,152,299	5,343,272	1,859,977	1,615,390	(4,292,322)	(3,727,882)
Sarasota		809,027		244,587		(564,440)
SEMINOLE	6,695,218	6,695,218	2,021,013	2,021,013	(4,674,205)	(4,674,205)
SUMTER	1,969,614	1,969,614	616,043	616,043	(1,353,571)	(1,353,571)
SUWANNEE	643,636	643,636	350,000	350,000	(293,636)	(293,636)
TAYLOR	350,000	350,000	350,000	350,000	-	-
UNION	350,000	350,000	350,000	350,000	-	-
VOLUSIA	7,727,470	5,431,639	2,326,742	1,635,467	(5,400,728)	(3,796,172)
Daytona Beach		983,707		296,194		(687,513)
Deltona		1,312,124		395,081		(917,043)
WAKULLA	474,550	474,550	350,000	350,000	(124,550)	(124,550)
WALTON	1,061,913	1,061,913	356,995	356,995	(704,918)	(704,918)
WASHINGTON	367,741	367,741	350,000	350,000	(17,741)	(17,741)
TOTAL	290,358,500	290,358,500	93,352,250	93,352,250	(197,006,250)	(197,006,250)
DR Holdback	5,000,000		5,000,000		-	
Compliance Monitoring	741,500		247,750		(493,750)	
Catalyst	500,000		500,000		-	
Total appropriation	296,600,000		99,100,000		(197,500,000)	

\*Assumptions:

## Projected SHIP Allocations Compared\*

Current population amounts

Governor's Proposed budget

Appropriations Subcommittees Chairs' Budget Proposals:

House Infrastructure & Tourism Appropriations Subcommittee &

Senate Appropriations Subcommittee on Transportation, Tourism, and Economic  
Development

Florida Housing Coalition  
**SADOWSKI AFFILIATES WEBINAR**



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May 11, 2021

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- 
- All participants are on mute
  - We will answer questions at the end of Webinar
  - Type you question into the question box on the side panel
  - We will not identify who as asked the question
  - Webinar is recorded and can be found FLHousing.org  
([www.flhousing.org/past-sadowski-affiliates-webinars/](http://www.flhousing.org/past-sadowski-affiliates-webinars/))
  - There are handouts that can be downloaded attached



**Jaimie Ross**, President & CEO  
Florida Housing Coalition;  
Facilitator, Sadowski Coalition



**Mark Hendrickson**, Executive Director  
Florida ALHFA; FHC Board Member



**Kody Glazer**, Legal Director  
Florida Housing Coalition



- Legislative Wrap Up in a Nutshell
  - Explanation of change in Documentary Stamp Distributions
  - Preliminary SHIP Distribution

## Agenda Estimates

- Next Steps
- State and Federal Housing Bills

Update

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# New Era for Sadowski Trust Funds

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SB 2512 statutory permanently reduced the housing trust funds by changing the percentage of doc stamps that goes to housing.

<b>% Doc Stamps (after distributions made to the Land Acquisition Trust Fund, Department of Revenue Administration cost, and the General Revenue Service Charge)</b>	<b>24.17%</b>	<b>9.70254%</b>
<b>SEED</b>	Less \$75 million for SEED	No SEED
<b>Available for Housing Current Revenue Estimate</b>	\$423.1 million	\$209.2 million *



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Sweeps	Permitted	No Sweeps
Appropriation Status	Non-Recurring	Recurring

\*this amount will go up or down each year depending upon doc stamp projections

# New Era for Sadowski Trust Funds

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- No more sweeps.
- SB 2512 guarantees (after July 1, 2021) the end to sweeps.
- \$362.45 Million - Amount of sweep that's happening by June 30
- Sadowski state and local housing trust funds will be **recurring revenue**.

# NewEra

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- Recurring revenue means that the initial budget prepared by legislative staff will automatically include the Sadowski housing trust fund money based on the new percentages established in SB 2512

## Sadowski Funding

# Amount is not a floor or a ceiling

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The amount of Sadowski Act funding will go up and down each year depending upon doc stamp projections **and will include growth from the doc stamp collections.**



## New Era for Sadowski Trust Funds

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SB 1892 created the Emergency Preparedness and Response Fund in the Office of the Governor which was funded with \$1 billion dollars. These dollars will be the primary source of first response instead of diverting SHIP for responding to areas hit by hurricanes or other natural disasters.

# NewEra

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# Panelist

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**Mark Hendrickson**, Executive Director  
Florida ALHFA; FHC Board Member

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# Budget FY 2021-22

## Appropriation of Housing Trust Fund Monies

	GOVERNOR FY 21-22	SENATE FY 21-22	HOUSE FY 21-22	FINAL BUDGET FY 21-22	FINAL BUDGET FY 20-21
FHFC: SAIL & other FHFC Line 2238	\$126,700,000	\$62,500,000	\$62,500,000	\$62,500,000	\$115,000,000
SHIP Line 2239	\$296,600,000	\$146,700,000	\$146,700,000	\$146,700,000	\$225,000,000 VETOED
	\$0	\$0	\$0	\$0	\$30,000,000 Hurricane Housing Recovery Program (SHIP-like program for Hurricane Michael disaster counties only) Line 2282A
TOTAL HOUSING	\$423,300,000	\$209,200,000	\$209,200,000	\$209,200,000	\$145,000,000



SHTF SWEEP	\$0	\$38,600,000	\$25,000,000	\$40,000,000	\$0
LGHTF SWEEP	\$225,000,000	\$254,400,000	\$273,490,000	\$322,450,000	\$0
TOTAL SWEEP	\$225,000,000	\$293,000,000	\$298,490,000	\$362,450,000	\$0
Unallocated SHTF	\$0	TBD	TBD	\$0	\$4,800,000
Unallocated LGHTF	\$0	TBD	THE FLO TBD	FLORIDA HOUSING \$0	COALITION \$12,200,000 + \$225 million veto

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# FY 2021-22

	A	B	C	D	E	F	G	H	I	J	K	L
1	Projected SHIP 2021-2022		\$ 145,700,000		SHIP allocation based on Conference Committee as of 04/26/2021 (Less: \$5 million DR holdback, Monitoring & Catastrophic)							
2	Local Government	County To	County Share		Local Government	County Total	County Share		Local Government	County Total	County Share	
3	ALACHUA	1,809,919	909,665		FRANKLIN	350,000	350,000		ORANGE	9,332,778	7,361,695	
4	Gainesville		900,254		GADSDEN	350,000	350,000		Orlando		1,971,083	
5	BAKER	350,000	350,000		GILCHRIST	350,000	350,000		OSCEOLA	2,561,427	2,060,924	
6	BAY	1,168,009	936,860		GLADES	350,000	350,000		Kissimmee		500,503	
7	Panama City		231,149		GULF	350,000	350,000		PALM BEACH	9,669,382	7,311,986	
8	BRADFORD	350,000	350,000		HAMILTON	350,000	350,000		Boca Raton		627,543	
9	BREVARD	4,009,629	2,218,929		HARDEE	350,000	350,000		Boynton Beach		517,312	
10	Cocoa		127,907		HENDRY	350,000	350,000		Delray Beach		442,858	
11	Melbourne		557,739		HERNANDO	1,277,607	1,277,607		West Palm Beach		769,683	
12	Palm Bay		783,482		HIGHLANDS	710,064	710,064		PASCO	3,586,915	3,586,915	
13	Titusville		321,572		HILLSBOROUGH	9,751,588	7,160,591		PINELLAS	6,498,996	3,371,679	
14	BROWARD	12,730,225	2,282,529		Tampa		2,590,997		Clearwater		779,230	
15	Coconut Creek		386,999		HOLMES	350,000	350,000		Largo		558,264	
16	Coral Springs		851,652		INDIAN RIVER	1,066,250	1,066,250		St. Petersburg		1,789,823	
17	Davie		692,524		JACKSON	350,000	350,000		POLK	4,725,906	3,692,823	
18	Deerfield Beach		528,304		JEFFERSON	350,000	350,000		Lakeland		722,118	
19	Fort Lauderdale		1,247,562		LAFAYETTE	350,000	350,000		Winter Haven		310,965	
20	Hollywood		1,000,596		LAKE	2,428,342	2,428,342		PUTNAM	498,707	498,707	
21	Lauderhill		477,383		LEE	4,956,845	3,107,941		ST. JOHNS	1,739,458	1,739,458	
22	Margate		390,818		Cape Coral		1,237,229		ST. LUCIE	2,134,779	496,122	
23	Miramar		915,303		Fort Myers		611,675		Fort Pierce		294,600	
24	Pembroke Pines		1,112,622		LEON	1,993,884	671,540		Port St. Lucie		1,344,057	



# Preliminary SHIP Distribution Estimates FY

25	Plantation		598,321	Tallahassee		1,322,344	SANTAROSA	1,230,633	1,230,633
26	Pompano Beach		744,718	LEVY	350,000	350,000	SARASOTA	2,901,936	2,520,331
27	Sunrise		621,235	LIBERTY	350,000	350,000	Sarasota		381,605
28	Tamarac		435,374	MADISON	350,000	350,000	SEMINOLE	3,156,362	3,156,362
29	Weston		444,285	MANATEE	2,643,632	2,254,754	SUMTER	937,070	937,070
30	CALHOUN	350,000	350,000	Bradenton		388,878	SUWANNEE	350,000	350,000
31	CHARLOTTE	1,254,120	1,117,923	MARION	2,432,247	2,022,413	TAYLOR	350,000	350,000
32	Punta Gorda		136,197	Ocala		409,834	UNION	350,000	350,000
33	CITRUS	999,694	999,694	MARTIN	1,081,899	1,081,899	VOLUSIA	3,641,700	2,559,751
34	CLAY	1,461,572	1,461,572	MIAMI-DADE	11,842,098	7,613,284	Daytona Beach		463,588
35	COLLIER	2,561,427	2,422,085	Hialeah		1,003,026	Deltona		618,361
36	Naples		139,342	Miami		2,081,841	WAKULLA	350,000	350,000
37	COLUMBIA	479,125	479,125	Miami Beach		393,158	WALTON	510,450	510,450
38	DE SOTO	350,000	350,000	Miami Gardens		478,421	WASHINGTON	350,000	350,000
39	DIXIE	350,000	350,000	North Miami		272,368	TOTAL	140,769,650	140,769,650
40	DUVAL	6,487,253	6,487,253	MONROE	526,099	526,099	DR Holdback		5,000,000
41	ESCAMBIA	2,146,523	1,778,609	NASSAU	604,372	604,372	Compliance Monitoring		366,750
42	Pensacola		367,914	OKALOOSA	1,355,879	1,215,817	Catalyst		563,600
43	FLAGLER	764,849	165,743	Fort Walton Beach		140,062	<b>Total appropriation</b>		*****
44	Palm Coast		599,106	OKEECHOBEE	350,000	350,000			
45									



2021-22 (continued)

# Next Steps

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- Education, Education, Education
- Between now and the end of summer
- Every legislator – even those who are champions
- Why SHIP and SAIL are so critical
- Difference between SHIP and SAIL and the federal funds

NEXT  
STEPS



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- We need to better education and advocacy for additional nonrecurring funds
- The legislature can always increase funding with nonrecurring appropriations

# Panelist

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**Kody Glazer**, Legal Director  
Florida Housing Coalition

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# Federal Housing Update

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- Between now and the start of next Session, we will be following any new appropriations for housing at the federal level.
- We will be producing materials to help educate policymakers on the differences between federal, state, and local housing funding.



# State of Florida Announces Launch of Emergency Rental Assistance Program (ERAP) – OUR Florida

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- The State of Florida received \$871 million from the federal government in December for emergency rental assistance (ERAP 1).
- Administered by the Florida Department of Children and Families (DCF).
- Last week, DCF launched its website to administer emergency rental assistance funds statewide: <https://www.ourflorida.com/>

- ERAP 2 refers to the funds allocated through the American Rescue Plan Act (additional \$689.3 million for the state; can be spent until 2025).
- This is in addition to the 32 local governments that received their own allocation from the U.S. Treasury Department for emergency rental assistance.
- Total funding for Florida (state + local gov't allocations) = \$2.5



### HB 7019/SB 1954

#### Statewide Flooding and Sea Level Rise Resilience

- Forms the Resident Florida Grant Program; requires DEP to complete a comprehensive statewide flood vulnerability and sea level rise assessment; & more

### HB 883/SB 60

#### County and Municipal Code Enforcement

- Prohibits code enforcement officers from investigating or initiating code enforcement proceedings based on an anonymous complaint.

### HB 1059/SB 1788

#### Construction Permits

- Requires LGs to post building permit applications online, allow applicants to submit electronically, and post permit review processes

### HB 59/496

#### Growth Management

- Requires LGs to adopt a property rights element in their comprehensive plan



# State Housing Bills that Passed

HB 401/SB 1146    single or two-family dwellings with certain exceptions. “Building design Florida Building Code    elements” include building color, roof material, number of rooms, garage location, and others. • Allows a property owner to bring a Bert Harris Property Rights claim when a

HB 421/SB 1876  
Relief from Burdens on Real  
Property Rights

local government merely “adopts” an ordinance that may affect their rights under the Bert Harris Act, even if that ordinance is not actually applied to the owner’s property.

HJR 1377/SB 1182  
Limitation on Assessment of Real  
Residential Purposes    improvements

• Reduces time frame to respond to Bert Harris claims

• New constitutional amendment for next election – prohibits increase in assessed value of property due to flood resistance

• Changes affordable housing property tax discount at F.S. 196.1978(2) to a tax

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exemption.

- Instead of certain multifamily affordable projects paying 50% of ad valorem taxes after year 15, these projects will pay 0% in ad valorem taxes

HB 13/SB 510  
State Funds

- Elevates the status of the Sadowski Housing Trust Funds; bars Legislature from sweeping unappropriated cash balances from the State and Local Government Housing Trust Funds

HB 423/SB 168  
Hurricane Loss Mitigation Program

- Extends Hurricane Loss Mitigation Program (HLMP) to June 30, 2031
- Program agreed to be extended for 1 year (4/27)

HB 965/SB 1160  
Florida Housing Finance Corporation

- Gives FHFC board the authority to make final determination on issuance of revenue bonds

HB 1193/SB 1746  
Court Records of Eviction  
Proceedings

- Authorizes tenants, in certain circumstances, to have eviction records sealed.

HB 219/SB 522  
Vacation Rentals

- Preempts regulation of advertising platforms to the state and makes changes to local government authority to regulate vacation rentals

## HB 563/SB 674 Tax Exemption for Affordable Housing

- Allows local governments to grant ad valorem tax exemptions for affordable housing developments

## HB 499/SB 576 Prohibited Landlord Practices

- Prohibits landlords from refusing to rent to a tenant solely based upon the tenant being previously evicted during COVID-19

## HB 481/SB 412 Residential Evictions

- Repeals Florida's "pay-to-play" Landlord/Tenant Statute

# Statewide Annual Conference

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Sadowski panel will be held on August 31

2021 Annual  
Statewide  
Conference will be  
held virtually.



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# Contact Us

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**For Assistance Contact**  
**Jaimie Ross**  
President/CEO  
Florida Housing Coalition  
[Ross@FLHousing.org](mailto:Ross@FLHousing.org)  
(850) 212-0587



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